

IN THE NEWS
Condoleezza Rice meets with Ehud Olmert

Condoleezza Rice and Ehud Olmert met in Jerusalem. Before Tuesday's meeting, the U.S. secretary of state said the Israeli-Hezbollah crisis is an opportunity to change regional realities.

"A durable solution will be one that strengthens the forces of peace and democracy in the region," she said. The Israeli prime minister vowed to press Israel's offensive in Lebanon and the Gaza Strip. "Israel was forced into war on two fronts simultaneously," Olmert said, referring to the fight against Hamas-led Palestinian hostage-takers in Gaza and Lebanese Hezbollah militiamen.

Rice later met with Palestinian Authority President Mahmoud Abbas as part of her diplomatic Middle East trip.

Israeli strike kills peacekeepers

Four United Nations peacekeepers in Lebanon were killed in an Israeli airstrike Tuesday, a U.N. official said. The bomb scored a "direct hit" on the peacekeepers' post just north of the border, the official said. The Israeli army said that it was checking the report.

Rocket kills Israeli girl

Hezbollah rockets killed a girl and wounded 10 other people in northern Israel.

Katyusha rockets on Tuesday slammed into Maghar, an Arab town in the Galilee, killing a teenage girl and wounding four others. In Haifa, a salvo of at least a dozen rockets hit residential areas on the beachfront, wounding five.

Israel: We killed Hezbollah commander

Israel said it killed a Hezbollah commander as well as several others during fighting Tuesday in southern Lebanon.

Also Tuesday, Israeli warplanes bombarded Beirut, reportedly destroying 10 buildings.

WORLD REPORT

PUBLISHED WEEKDAYS BY JTA—THE GLOBAL NEWS SERVICE OF THE JEWISH PEOPLE • WWW.JTA.ORG

In Israel's North, hotels are empty, while the South reaps the benefits

By URIEL HEILMAN

JERUSALEM (JTA) — With the fighting along Israel's northern border showing no sign of letting up, Israel's most popular summer tourist region has been turned into a battle zone.

Tanks line roads normally filled with tour buses loaded with schoolchildren, Christian pilgrims and Orthodox Jews.

Instead of the sounds of kids splashing in swimming pools and canyons, there is a constant booming of artillery shelling and tank fire. Instead of birds quietly hovering in the skies over the Hula Nature Reserve, attack helicopters and fighter jets streak across the sky headed north, into Lebanon.

And instead of hotels in Haifa, Tiberias and Rosh Pina packed with tourists, hoteliers are shutting down operations and turning off the electricity, with a whisper and prayer for peace — and the return of tourists.

"Until this operation is over, we won't see anyone here, and I can't say how much time after the war it will take to return to the routine," said Moshik Givaty, manager of the Rosh Hanikra Tourist Center, on Israel's Mediterranean coast next to the Lebanese border.

The center, which includes grottos, a cable car, restaurant and historical sites, usually draws 35,000 visitors in July and August. This year it was shut down on the morning of July 12 — shortly after Hezbollah precipitated the crisis by killing eight soldiers and kidnapping two in a cross-border raid — by order of the Israel Defense

Forces, which has commandeered much of Rosh Hanikra for military operations.

"Rosh Hanikra is in the conflict zone, and we must be in secured rooms or bunkers," Givaty explained.

Unless the fighting ends soon, he warned, the summer will be a complete loss.

All across northern Israel, the resorts, hotels and bed and breakfasts that normally are full this time of year are closed or virtually empty.

"We've unplugged the fridges and shut off the electricity," said Yoela Shany, who owns Siesta vacation

cottages in Ramot, in the Golan Heights. "This never happened before."

Dozens of bed and breakfasts in Ramot, a popular vacation village, have been left empty. Three Katyusha rockets have landed in or near town, but so far none has caused casualties or major property damage.

Many hotels in Haifa have closed their doors, and those that remain open have been able to do so only because of the influx of journalists in town to cover the war and the Katyushas that now fall in the city daily.

"Everything fell apart in the second half of the month," said Shimon Cohen, general manager of Haifa's Nof Hotel. "For August, we are almost at a 0 percent occupancy rate."

Tourism in the rest of the country is mostly holding up, but tourism workers all over Israel are worried that their livelihoods may be devastated if the fighting drags on. That, in turn, could wreak havoc on the economy as a whole.

"The situation is very fluid," said Yo-

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**FOCUS
ON
ISSUES**

■ Israel's most popular summer tourist region has been turned into a battle zone

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natan Pulik, spokesman for the Tourism Ministry. "There are no significant cancellations on incoming tourists from abroad — yet. Of course, there is damage to internal tourism, particularly in the North."

There are no statistics available yet, Pulik said, though 2006 had looked like a banner year for tourism in Israel — until two weeks ago.

The economic impact on Israel's tourism industry already has run into the millions of dollars, but the damage may be limited if the fighting ends quickly.

Tourist industry professionals in places like Jerusalem and Eilat say they're making up for any cancellations with extra business from people leaving northern Israel — both Israelis and tourists rearranging their itineraries to avoid the conflict zone.

Jamie Salter, a licensed tour guide in Jerusalem, said the conflict's impact on tourism goes both ways: Some tour guides are making up for canceled gigs by picking up the appointments of fellow Israeli tour guides who have been called away to military reserve duty.

"We're getting a lot of people running away from the North," said Ibrahim Dawud, owner of the Mount of Olives Hotel in eastern Jerusalem. "A lot of Israeli Arabs are coming to Jerusalem to escape the fighting, and a lot of tourists that were in the North are coming south, so we're filling up."

But, Dawud cautioned, "I think the

long-term prospects for us are bad. People hear the news and they're scared to come, and they'll cancel. The second intifada devastated us. We were empty for three years."

Hoteliers say they haven't yet suffered the wave of cancellations they saw during the worst years of the intifada, but they warn things will quickly get bad if the fighting doesn't end soon.

"The situation is stable," said Rodney Sanders, general manager of Jerusalem's Inbal Hotel. "We have cancellations for the month of July, but there is also pickup from the Jewish organizations that have come to support Israel in this situation."

Delegates from this week's Israel solidarity mission of the Conference of Presidents of Major American Jewish Organizations are staying at the Inbal.

The hotel also is hosting some 50 Israeli families from the city of Kiryat Shmona, in northern Israel, thanks to a donation by Israeli real estate mogul and philanthropist Yitzhak Tshuva.

In the southern resort town of Eilat, the fighting hundreds of kilometers away might as well be in a different country — except for the northerners who have gone to Eilat to escape the war.

"We are almost entirely full," said Eytan Loewenstein, spokesman for Isrotel Hotels, which has more than half a dozen

hotels in Eilat. "This is normal for July-August, when it is high season for hotels in Eilat. Even if there were a few empty rooms, they've been taken up by people arriving from central and northern Israel."

By comparison, he noted, the Isrotel-owned Carmel Forest Spa Resort, near Haifa, is at 25 percent occupancy at a time of year when it normally is full.

"This is supposed to be the high season, and everything's empty," lamented Sara Shavit, who along with her husband owns the Shavit Guest House in Moshav Arbel, just north of Tiberias. "We are in a serious problem. We have no other source of income."

A Katyusha rocket landed just across the road from the couple's property last week, setting fire to a desiccated field and threatening to burn down the Shavits' home and vacation cottages. Thankfully, Shavit said, the fire was extinguished just in time.

While she said she hopes the fighting ends soon, Shavit said it's more important to her that it ends well, even if it takes longer.

"We very much hope it will end soon, and as well as possible, so that we can both make a living, but also so we have long-term quiet, and not short-term quiet."

The economic impact on Israel's tourism industry already has run into the millions of dollars.

Saudi king warns of war

JERUSALEM (JTA) — Saudi Arabia said Israeli actions could bring about a Middle East war. "Saudi Arabia warns everybody that if the peace option fails because of Israeli arrogance, there will be no other option but war," Saudi King Abdullah was quoted as saying Tuesday, in reference to Israel's offensives in Lebanon and the Gaza Strip.

Saudi Arabia championed a 2002 regional peace proposal under which Israel would be recognized by the Arab world if it gave up territories captured in the 1967 Six-Day War and allowed a "right of re-

turn" for millions of Palestinian refugees and their descendants. Israel rejected the preconditions, which are seen as demographic suicide for the Jewish state.

The chief of Israel's military intelligence, Maj. Gen. Amos Yadlin, told the Knesset Foreign Affairs and Defense Committee on Tuesday that Syria had put its armed forces on high alert and that there was concern in Jerusalem that it could "misread the situation" — an apparent reference to Syrian fears that it could come under attack from Israeli or U.S. forces.

JTA WORLD REPORT

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JTA WORLD REPORT is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For more 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.
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Haifa — city of empty streets

By DINA KRAFT

HAIFA, Israel (JTA) — Danny Goldgeier sets up his legions of plastic knights and dragons at opposite sides of the couch in his family's combination home office-guestroom-bomb shelter, and re-enacts the military action nearby.

"The good guys took the weapons of the bad guys," explains Danny, 8.

The Goldgeier family has been spending a lot of time in their small downstairs room encased in reinforced concrete, its one window made of steel sealed shut. Every time the sirens go off — they counted nine on Saturday alone — the family scurries down the narrow staircase and to their relatively safe corner of Haifa.

"I don't know how much safer it is, but it feels safer," says Carol Goldgeier, 49.

"Psychologically, particularly for him, it's very good," she says, nodding in the direction of Danny. "He's basically moved in."

Some 80 percent of Haifa residents have stayed in the city despite the barrage of rocket fire from Hezbollah in Lebanon, according to Mayor Yoni Yahav.

But it feels like a ghost town. Streets are mostly empty and many shops are closed, as is the city's usually busy mall and open-air produce market. Only a smattering of people venture out for groceries or fresh air.

Carol and Paul Goldgeier made aliyah from the United States about 20 years ago and have found a comfortable home and community in Haifa, Israel's third-largest city. Carol is president of Ohel Avraham, a Reform synagogue, and services were held in the family's living room last Friday night when the shul closed because of the threat of missile strikes.

One of the few times Carol has left the house was to meet a delegation from the Association of Reform Zionists of America that came to visit Haifa.

"Of all the places in Israel that we looked around, this was the best quality of life. We live on a mountain. We live by the sea. When the Galilee is not being bombed, it's beautiful," says Carol, who grew up near Philadelphia in Bucks County, Penn.

Her eldest daughter Hadass, 16, paints a water-color picture of a fairy with deep purple and green wings, and rattles off a list of where friends and neighbors have gone.

"Everyone started running away after

the first missile hit. I said I didn't want to run away," she says, her fingers pressed firmly on a small paintbrush, making neat, small strokes.

Hadass and Danny have passed the time inside with art projects and movies borrowed from friends. The local movie rental store has closed because of the fighting.

The family doesn't watch much television or movies, but things have changed since missiles started falling on Haifa.

"We believe in cartoon therapy," jokes Carol, for

whom the bomb shelter is usually her private domain — the home office from which she runs Israel projects for the Gimprich Family Foundation, a U.S.-based Jewish family foundation.

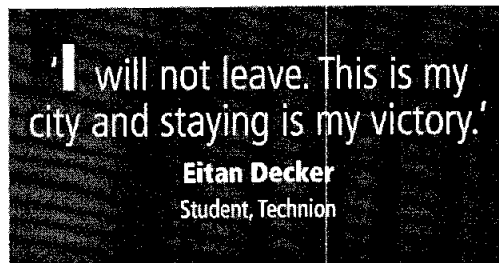
But the sirens and stress grow tiring, and the family is considering taking up an invitation to stay with friends in Jerusalem for a few days. At the beginning of August they have a trip scheduled to the United States to visit family and friends.

Tamar, 13, the family's second child, spent the last two weeks at a summer camp run by the Reform movement.

"Usually it's the parents calling the children at camp to see if everything is okay. In our situation, it was the 13-year-old calling the parents to see if they were okay," says Paul, 48, an electrical engineer originally from Rockland County, N.Y.

Paul commutes on a largely empty highway to Tel Aviv every day for work.

"The strange thing is that I feel more relaxed when I'm here," close to his family and not listening anxiously to the news on the radio, he says.



But the uncertainty is hard to take.

"We don't know what's going to happen next. We don't know when this will end," Paul says.

Tuty and Matisyahu Hochstadt live not far from the Goldgeiers. They too remain in Haifa, preferring the familiarity of the home and city they love so much.

"We've been here for all the wars; my son was injured in the army, my husband served in the army and reserves," says Tuty, a Holocaust survivor. "We didn't want to leave Haifa. We have had to run

enough times in our lives with suitcases in our hands."

Matisyahu jokes that he has stopped taking out the garbage because every time he does a siren goes off.

Driving through Haifa, they marvel at its emptiness.

"Look! It's a dead city, you don't see anyone," Matisyahu says.

Eitan Decker, 26, a civil engineering student at the Technion-Israel Institute of Technology, returned to Haifa this week after a month of reserve duty. One of the soldiers kidnapped by Hezbollah on July 12, setting off the current crisis, was in his division.

Decker, vice chairman of the Technion Student Association, said the organization has been providing students with information and even references for places to live in the center of the country.

But he has no plans to leave Haifa.

"I will not leave. This is my city and staying is my victory," he says. "It's my way of showing we're here, we will not collapse because of this."

Lawmaker angers with hostage comment

NEW YORK (JTA) — Israel's interior minister threatened to strip an Israeli Arab lawmaker of his citizenship for backing hostage-taking of Israeli soldiers.

Wasil Taha of the Balad Party told an Islamic affairs Web site that Hamas' June 25 kidnapping of Israeli Cpl. Gilad Shalit was self-defense. Interior Minister Ronnie Bar-On told Army Radio he had received a request from Gilad Erdan of the Likud

Party to recommend that Taha's citizenship be rescinded under a law forbidding citizens to aid or encourage enemy actions.

Bar-On made the request to Attorney General Menachem Mazuz under the Citizenship Law.

The last time the law has been used was for the assassin of Prime Minister Yitzhak Rabin in 1995 but that decision was overturned.

NEWS IN BRIEF

MIDDLE EAST

Two soldiers killed in battle

Two Israeli soldiers were killed storming a second Hezbollah stronghold, Bint Jbeil.

At least 10 Hezbollah gunmen have died in the ground operations launched as part of Israel's offensive in Lebanon aimed at crippling Hezbollah.

Israel to allow airlifts

Israel will allow aid airlifts to reach Lebanon in a bid to avert a humanitarian crisis. Prime Minister Ehud Olmert announced the decision Tuesday in talks with U.S. Secretary of State Condoleezza Rice, who has voiced concern over humanitarian conditions in Lebanon as Israel presses its offensive against Hezbollah.

Olmert's office said he agreed that the looming crisis had to be averted. "The prime minister said Israel will allow, with advance coordination, for planes carrying humanitarian aid to land at Beirut airport," it said in a statement.

"The prime minister also said Israel will allow the creation of a land corridor from Israel to Lebanon through which it will be possible to transfer international humanitarian aid to the Lebanese populace."

Israel imposed a land and sea blockade after Hezbollah killed eight of its soldiers and abducted two others in a July 12 cross-border raid, but has allowed aid to reach Lebanon by sea.

NORTH AMERICA

Letter calls for more Syria sanctions

A Democrat and a Republican lawmaker are circulating a letter among their congressional colleagues that would call on President Bush to fully sanction Syria. Reps. Ileana Ros-Lehtinen (R-Fla.) and Eliot Engel (D-N.Y.) want Bush to implement all the sanctions in the Syria Accountability Act, which they initiated and which Congress passed in 2003.

Bush implemented partial sanctions two years ago. Bush currently bans all but food and medicine exports to Syria and keeps Syrian aircraft from landing in the United States.

Further bans would include an end to all U.S. business dealings in Syria and a further reduction in diplomatic ties.

Democrats want Iraqi PM to apologize

Democrats called on Iraq's prime minister to apologize for criticizing Israel before he addresses the U.S. Congress.

Prime Minister Nouri al-Maliki is to be accorded the rare honor Wednesday of addressing both houses of Congress after he meets with President Bush.

Maliki sharply criticized Israel last week for its response to Hezbollah attacks on Israeli territory. Democrats in the U.S. House of Representatives said in a statement that those remarks "have undermined U.S. objectives in the Middle East."

The members want House Speaker Dennis Hastert (R-Ill.) to secure an apology from Maliki or cancel his speech.

Jewish security net ups contact with law enforcement

A U.S. Jewish security network has ramped up daily communication with federal, state and local law enforcement agencies in light of Middle East fighting.

Although there has been no specific threat against any U.S. Jewish institution, the Secure Community Network, is speaking "constantly" with these agencies, said Paul Goldenberg, SCN's national director. "At this point in time there is nothing specific that says

Hezbollah is planning an attack on Jewish institutions to the best of our knowledge," he told JTA.

"However, they should as a community remain vigilant. With escalated fighting, there's always a concern that there are people out there that don't await orders from any particular place."

SCN, a security resource center for the U.S. Jewish community, was founded by the Conference of Presidents of Major American Jewish Organizations and the United Jewish Communities federation umbrella group, and can be visited online at www.scnus.org.

Report: U.S. museums may contain looted art

U.S. museums still may contain many Nazi-plundered artworks, a new report found.

"The U.S. has traditionally been a leader in Holocaust restitution," Gideon Taylor, executive vice president of the Claims Conference, said at a news conference Tuesday in New York, yet only 12 percent of artworks in U.S. museums possibly stolen from Holocaust victims have been fully researched and the results publicized, according to the survey by the Claims Conference and the World Jewish Restitution Organization.

The 140,000 artworks in question were created before 1946 and purchased after 1932, and changed ownership between those dates. Several major U.S. museums, including the J. Paul Getty Museum in Los Angeles and the San Francisco Museum of Modern Art, did not respond to the survey.

Results of the survey and an analysis are available online at www.claimscon.org. Meanwhile, a congressional subcommittee will meet Thursday to discuss the state of provenance research in U.S. museums.

Israeli university gets gift

A California philanthropist donated \$25 million to the Technion-Israel Institute of Technology in Haifa.

The gift from Lorry Lokey, founder and chairman of Business Wire, will be used to create a new combined life sciences and engineering center.

WORLD

U.N. official blasts Hezbollah

A United Nations humanitarian chief blasted Hezbollah for operating among Lebanese civilians.

"When I was in Lebanon, in the Hezbollah heartland, I said Hezbollah must stop this cowardly blending in among women and children," Jan Egeland, U.N. undersecretary-general for humanitarian affairs and emergency relief coordinator, told reporters Monday in Cyprus, during a rest between Beirut and the Gaza Strip.

"I heard they were making statements that they were proud of losing fewer armed men than civilians.

"It's hard to see how they could be proud of such a situation."

Some 400 Lebanese, many of them civilians, have died in Israeli shelling ordered after Hezbollah killed eight soldiers and abducted two more in a July 12 raid.

Israel insists it tries to avoid civilian casualties and blames Hezbollah for using ordinary Lebanese as human shields.

Hundreds of French Jews arrive in Israel

Some 650 immigrants from France landed Tuesday in Israel. Some of the immigrants will be moving to northern Israel, which has been the scene of daily barrages from Hezbollah rockets in Lebanon.

The Jewish Agency for Israel and the Ami association are behind the trip by the immigrants.