



News from the Nations

RUSSIA PLAYS DOWN FEARS ON SYRIA ARMS

The Russian foreign ministry recently played down suggestions of rising tension in its relationship with Israel caused by Moscow's planned arms deals with Syria. Russian and Israeli newspapers reported that Ariel Sharon, Israel's prime minister, had held a special confidential meeting addressing concerns surrounding the relationship between the two countries. They said Israel was particularly alarmed by Russia's intention to sell Syria missiles with a 280-kilometre range that could be used against Israeli territories.

Military strike against Iran

U.S. military action against Iran remains "an alive option" for the Bush Administration, says a leading Washington analyst, although he acknowledges that, despite mounting concern over Teheran's nuclear ambitions, it is unlikely in the near term. Patrick Clawson, deputy director of the Washington Institute for Near East Policy, says: "There is a recognition within the Administration that the Iranians are sufficiently arrogant in their presumed strength to make them perfectly capable of doing something very stupid that would cause them to stumble into a U.S. military response". Iran is currently engaged in talks with Britain, France and Germany to explore possible economic and security rewards if Teheran renounces its agreement to halt its uranium-enrichment programme. But sceptics regard negotiations as little more than a tactic to forestall sanctions.

Syrian arms deal

According to the *Jewish Observer*, "Israel anticipates that the U.S. will use its leverage to help scuttle a Russian arms deal with Syria because of concern that sophisticated missiles would be smuggled into Iraq and endanger American troops there. After rumours about a crisis in Israeli-Russian ties, Israeli officials confirmed that the disagreement was over a large weapons sale to Syria that reportedly includes the Igla SA-18, among the most sophisticated shoulder-held anti-aircraft missiles on the market, and the Iskander-E ground-to-ground missiles. Syrian President Assad visited Moscow recently to sign the deal. The U.S. came out publicly recently against the deal and said Washington would consider sanctions against Russia if it went ahead with the sale. 'We have seen the reports of the sale of lethal military equipment to Syria, which is a state sponsor of terrorism', Israeli Foreign Minister Shalom has told reporters. 'We have close contacts with the Russians, and we hope to reach a necessary agreement'. Officials in Jerusalem said Russia's interest in the deal stems from an effort to reassert its influence in the region: 'For 30 years, Russia was involved in the Middle East on the basis of its giving away of weapons to the Syrians—this is a way to again become a major player'. An official said Syria owes Russia some \$8 billion for previous arms deals. This time, the official said, the Russians are demanding cash payment, and the expectation is that Iran will pay the bill. Israel is concerned that the sale of the weapons could alter the strategic balance in the region, and is fearful of the prospect that the lightweight SA-18 could fall into the hands of the Hizbullah or other terrorist groups and be used to down Israeli aircraft".

Venezuela enlists Iran to steer oil to China

Venezuela has enrolled Iran to help it accelerate a strategy to steer its oil exports to China and away from its traditional market of the U.S. The action is part of efforts by Venezuela, the world's fifth-largest oil exporter, to strengthen ties with China at the expense of the U.S., with whom relations are strained again after two years of calm. Iran is Venezuela's closest ally in the Organisation of Petroleum Exporting Countries. Iran is also, as U.S. Vice President Cheney said recently, "right at the top of the list of potential trouble spots" identified by the Bush Administration. Venezuela's asking for help from Iran may be read as provocative by some in Washington. The decision to send oil to China coincides with intensifying concerns in Washington about Venezuela.

Kremlin plays the China card

According to Newsweek, "Russia has long looked East with trepidation—but, after watching the West intervene in Ukraine on behalf of a presidential candidate keen to leave Moscow's orbit, Russia's defence minister announced the first ever joint military exercises with China. After presiding over the near destruction of Yukos Oil, a stock widely held by Western investors, the Kremlin turned around and offered China's state oil company a 20-per-cent stake in a key Yukos asset. Recently the Russian Army dismantled tanks on once-contested border territory. Russia is ceding 130 square kilometres to China to end a dispute dating back decades. 'The big question is whether this is the Russians' just firing a shot across the West's bow, or whether this marks a real strategic shift', says Cliff Kupchan, vice president at the Nixon Centre Research Institute. There's good reason why Russia might rethink its strategic relations. To the East, despite its fears, it sees enormous commercial opportunities in a rising China, with its booming export markets and demand for Russian oil and natural resources. To the West, it sees nothing but disappointment. Kremlin hard-liners believe they have 'lost' neighbouring Ukraine to a Western conspiracy designed to isolate Russia and strip it of regional influence. According to the experts, 'What we are seeing is an old Russian tactic, if the West doesn't accept us, we will go East'. The Kremlin is looking to make Russia the world's leading oil and gas producer—with itself in control. It is merging the country's largest company, natural-gas giant Gazprom, with state-owned oil major Rosneft to create an international giant rivalling Saudi Arabia's Aramco in size. To this they will soon add the major assets of Yukos".

Papal audience with Jews

Pope John Paul II received Jewish representatives at the Vatican in January 2005. In what was described as the largest such papal audience, the pontiff met with more than 100 Jewish leaders, rabbis, cantors and their family members and called for renewed commitment to stronger dialogue between Jews and Catholics. Most of the participants were from the United States, including a large contingent from the New York metropolitan area, but there were also Jews from Israel, France, India, Canada and Croatia among the group wanting to thank the pontiff for his dedication to improving relations between Jews and Catholics.

AMERICAN JEWS EMIGRATE TO ISRAEL

More North American Jews emigrated to Israel in 2004 than in any year since 1983, the Jewish Agency recorded in mid-December. The year's nearly 3,000 olim represent a 20-per-cent increase over 2003. The Nefesh b'Nefesh organisation, which offers financial grants and social support to encourage North American aliyah, calculated a financial value for North American immigration, claiming that each immigrant—taking into account education level, work experience, savings and potential contribution to the Israeli labour market—represents a 'value' to the Israeli economy of about \$200,000.

Smiles on the Nile

Israeli-Egyptian relations have entered a new era with the signing of a U.S.-backed trade agreement aimed at opening Egypt's leading industries to American markets, duty free. Following years of icy relations, the historic accord, signed by Israeli Industry, Trade and Labour Minister (and deputy Prime Minister) Ehud Olmert, his Egyptian counterpart Mohamed Rachid and U.S. Trade Representative Robert Zoellick, will create within a short time Qualified Industrial Zones in three Egyptian regions, from where jointly produced Egyptian and Israeli goods can gain tariff-free entry to the U.S. Rachid told Arab and Israeli journalists following the signing of the agreement: "The time has come to work hard, to spare no effort and to leave no stone unturned as we strive to further the progress of peace in the region". Before signing the agreement, Olmert met with Egyptian President Mubarak, who pledged his full commitment to improving ties between Israel and Egypt. Zoellick called the accord, which requires ratification by the U.S. Congress, "The most significant agreement between Israel and Egypt in twenty years", and said it sent a strong signal across the entire Middle East.

Abbas angers Israel

Palestinian leader Mahmoud Abbas, in the recent presidential campaign, angered Israel by describing it as "the Zionist enemy". Israel's deputy prime minister, Ehud Olmert, described the remarks as "intolerable and unacceptable", but he noted that Israel was allowing Mr Abbas some electioneering leeway, saying that Jerusalem would "soon relate to such comments and judge them differently in due course".