



Sigma Summaries

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Reasonable Risks, Rich Rewards

“You’re going to Israel? You’re kidding.”

“Are you sure?”

“That’s crazy.”

“Aren’t you worried?”

“Aren’t you scared?”

We heard a lot of that last October and November, when my wife, Monica, and I decided to visit Israel. Was I worried or scared? Maybe a little, but I knew that life in Israel is very different from what we see on television news shows. Besides that, we had compelling reasons for visiting Israel. Monica and our kids, Maggie and Ben, had never been, and they love to travel and sightsee. Even more important, there were family and friends whom we hadn’t seen in many years. My cousin Herta was about to turn 91. In four previous visits to Israel, and during her visits to the US, I had developed a close relationship with Herta, and I really wanted to see her again. As I watched the health of my grandmother, also 90, begin to decline last fall, I decided that we had to visit Herta as soon as possible. We needed this trip.

Booking the plane flight was easy. Deciding on an itinerary took a lot more work. Although it’s a small country, Israel is packed with world-class sightseeing opportunities. We looked at a lot of tour books and web

sites, and began to fill in the nine days we had allotted when someone suggested that we hire a guide. Fortunately, a friend introduced us to Yaron Abramov. I called Yaron in Germany, where he was working for a group of Israeli hotels organizing trips. He was knowledgeable, with many years of experience as a guide, and his confidence was obvious. We negotiated a deal and were ready to go.

It takes about ten hours to fly to Israel, when leaving from New York. Unfortunately, we had to fly first to Chicago to catch an El Al flight to Tel Aviv, Israel’s international airport. Our total travel time was about 17 hours. As usual, El Al’s security was efficient and unobtrusive. Israel faced the threat of hijacking in the early 1970s. As a result, El Al has had the same security that our airports have added since 9/11 for almost thirty years.

I’m happy to report that my children, ages 8 and 6, made it through the flight with flying colors. They were patient and quiet, reading and playing games. And they watched Ice Age four times on the little televisions!

We toughed it out through immigration and customs, and found Yaron outside the airport. He was a

welcome sight, equipped with water bottles, crackers, and a four wheel drive truck. We were wiped out from the long trip, but it was the middle of the day. We headed first to Mini Israel, a tourist attraction with models of most of Israel’s major buildings and historical sites. We walked through the little park and the kids got a taste of what was to come, seeing the coming attractions in miniature. Then Yaron drove us to our hotel in Jerusalem, where we collapsed for a much needed nap.

Wednesday we visited the Old City of Jerusalem. We saw the Church of the Holy Sepulcher, and the old Arab market (the Shuk). The market is filled with stores catering to tourists, and after the troubles of the past three years, the locals were very happy to see some tourists. After a couple of hours of enjoying the beautiful sights, smells, and tastes of the market, my daughter Maggie turned to me and said: “Daddy, I really like this place.” My kids bargained for goods for the first time, and as long as Monica and I stood by with the promise of larger purchases, the kids did pretty well.

We visited several archeological digs that day, including a museum endowed by Detroit’s own Bill Davidson (also owner of the Pistons). The ancient history of the land of

Israel is always close at hand, and this is especially so in Jerusalem. In a ten-minute walk, one can see some of the holiest sights of Judaism, Christianity, and Islam. The base of the walls of the Old City, some of which has been uncovered by recent excavations, dates back over 2,500 years. It is incredibly moving and humbling.

On Thursday, January 1st, we drove south from Jerusalem into the desert. First, Yaron took us off road to see the ancient trenches made by the harsh, infrequent desert rains. We then arrived at Masada, an ancient mountain-top fortress built by King Herod more than 2,000 years ago. I climbed the old snake path up the side of the mountain, something that I had missed in four previous visits, while Yaron and my family went up the cable car. This was a tremendous feeling, walking up the steep switchbacks that the Jews of ancient Israel once took to hide from advancing Roman armies. I stopped to speak with a group of Israeli school children. They were curious, as always, about life in the United States. In halting Hebrew, I told them about the relative costs of boats and snowmobiles, and no, you don't need a license to drive either. When I finished the climb, Yaron was there to describe the ancient rooms uncovered in the old palaces atop the mesa and the life of the aristocrats and slaves who lived there. On the way back from Masada, we stopped at the Dead Sea, where we floated on top of the world's saltiest water.

That night was New Years night, and I was faced with a challenge: I had to see the Rose Bowl. This was a problem, because my hotel did not have ESPN! The game was due to

start at midnight (6 pm in the US). I left our hotel at 10:30 pm and headed for the night life a few blocks away. I found a smoky bar with a television, and asked the bartender to change the channel to ESPN. Typically accommodative, he found the correct channel. While Israelis packed the bar, smoking, drinking and laughing loudly, I watched my Wolverines fall on their faces against USC.

Friday morning we visited with cousins of mine and then drove to a cave outside the city. This cave, which was discovered accidentally fifty years ago, holds an amazing configuration of stalactites and stalagmites in a myriad of shapes and colors. On the way back, we took close note of the terraced hillsides around Jerusalem, where shepherds continue to graze their flocks just as King David once did.

On Saturday, the Jewish Sabbath, much of Jerusalem is quiet. The buses don't run, and many shops are closed. We gave our guide the day off, and took a car to the Israel Museum. We spent a couple hours enjoying the historical and cultural exhibits, including a world-class collection of Impressionist and neo-Impressionist art, and then rushed back to the Old City for another round of bargaining. I fought hard with a younger merchant for a necklace for my mother. After a long struggle, he capitulated angrily to my price and threw in a couple of silver charms for my kids. I still feel pretty good about that deal.

The next day, we drove north to Haifa. I was excited to see my cousin Herta and some of her friends. My kids were excited too, because Yaron had promised them a stop at

McDonalds. Sure enough, we soon found the Golden Arches. After a quick stop there, we made it to Herta's birthday party. This was an almost surreal event for me. It had been twenty years since my last visit to Israel, and in some ways Herta seemed much the same, although she was slower and her eyesight was failing. But she blew out a cake with 91 candles, and held court in lively fashion as she had, in the same apartment, for more than 50 years. Among the many guests were at least three other ninety-year old ladies, who made it up the steep stairs to my cousin's apartment. In her apartment that day, we heard German, French, Russian, Hebrew, Yiddish, English, and Filipino, and we ate home-baked Viennese style cakes, thick with butter, cream, and chocolate. It was a slice of Old Europe that survived World War II, transplanted in Israel.

The next two days we saw more of Israel's ancient past. We visited Acre, a port on the Mediterranean, which was once the capital of the Crusader kingdom in Israel. We walked along the sea walls and visited a spice shop where Monica purchased a year's worth of cooking ingredients. Interestingly, our guide also left with some spices, but I didn't notice him paying. The next day, we stopped at Ceasarea, once a major city under the Romans, also on the Mediterranean. Here the archeologists have been very active, uncovering and reconstructing two amphitheaters, which now host concerts and plays.

We then made it to Tel Aviv, Israel's largest city, and the last stop on our trip. We stayed at a hotel on the beach, a popular destination for Europeans in the summer. As I found

in Jerusalem and Haifa, Israel had changed substantially in twenty years. New construction was everywhere, and signs of major international corporations, such as Intel and Microsoft, dotted the skyline. Although the economy has suffered the past three years, technology companies continue to innovate, and employment has picked up again.

Our guide Yaron was always by our side, educating us every step of the way with archeology, history, sociology, politics, and humor. Amazingly, he seemed to know the background of every building and dig in Israel. He possessed boundless energy, and took us touring until we dropped from exhaustion every day. He even stayed with our kids on the last night

so that Monica and I could go out for a quiet dinner.

On the last day of our trip, I visited in Tel Aviv with David Linden, CFA. David was a college roommate more than twenty years ago, and is now a hedge fund manager in Israel. At the time of our visit, he was moving into a new home in a growing town between Jerusalem and Tel Aviv. David told me that Israel's investment community experienced the stock market bubble of the late 90s just as we did in the US. Valuations rose rapidly to unsustainable levels and crashed suddenly. Since then, the Israeli stock market has made some improvement, and initial public offerings are again occurring. David expressed the cautious optimism that I heard from many Jews and Arabs.

If the economy works, eventually people can work toward peace.

We had a great visit in Israel. We enjoyed the time with our family and friends, and never feared for our safety. In addition to the sightseeing, which is world-class, we saw a small country, about 6.5 million strong, building a bright future through innovation and entrepreneurship. Although the war of the past three years has hurt the country badly, people go to work every day, couples fall in love, and babies are born. Against the threat of terrorism, the human spirit rises to the challenge through the mundane routine of life, and somehow manages to thrive.

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