

COMMUNITY GREETES ECONOMIC PLAN WITH DELIGHT AND SOME UNCERTAINTY

By Deborah Kalb
States News Service

WASHINGTON, Feb. 18 (JTA) -- The organized Jewish community is greeting President Clinton's economic plan, unveiled with great fanfare here this week, with expressions of delight tinged with a bit of uncertainty.

Jewish organizational leaders are hailing Clinton's support for various social services and other domestic programs that were gutted during the Reagan and Bush administrations.

But they are concerned about the future of foreign aid to countries such as Israel and Russia, in a political climate geared more toward helping those at home than those abroad.

Figures released by the White House indicate that foreign aid programs will be cut back sharply. At the State Department, spokesman Joe Snyder said Thursday that the budget for fiscal years 1994 through 1997 would include over \$2.3 billion in "outlay savings" in international affairs programs.

Sources in the pro-Israel community point out that Clinton and Vice President Al Gore have gone on record supporting a continuation of the \$3 billion in aid given annually to Israel. But they also note that proposed foreign aid cutbacks make the entire foreign aid program more vulnerable.

Also unclear is the future of the new Voice of America radio transmitter planned for Israel's Negev desert. Funding for the Board for International Broadcasting will be cut by \$644 million over the next five years, which leads some to believe that the transmitter could be among the items eliminated.

The transmitter has been controversial with some in Israel and in the U.S. Congress having expressed concern over its environmental impact.

'What We've Heard, We Like'

On the domestic side, the plan calls for a greater focus on many programs supported by the Jewish community, such as full funding for the Head Start educational program and the Women, Infants and Children nutrition program, as well as an expansion of the Earned Income Tax Credit plan assisting poor working families.

Jewish federations around the country provide a host of social service programs that would benefit from these Clinton proposals.

Sammie Moshenberg, Washington representative for the National Council of Jewish Women, proclaimed herself "delighted" with Clinton's support of the three social service programs.

"We've worked on this for many years," she said, adding that the programs are "very important. We're very excited about the whole thing."

She said she was eager to see the list of the 150 specific budget cuts that Clinton said he would make. But, she added, "what we've heard, we like."

Similarly, the American Jewish Congress issued a statement applauding what it called "Clinton's comprehensive proposals to revitalize the economy through investments to serve the needy, tax increases and spending cuts."

"The new direction proposed by President

Clinton is a significant attempt to attack basic problems long affecting American society," the group said.

"We especially appreciate the president's reaffirmation of the notion that government must be an active force for helping the poor and near-poor."

The National Jewish Coalition, a Republican group, was decidedly less enthusiastic.

In a statement, the group's executive director, Matt Brooks, said the coalition is "prepared to give President Clinton the benefit of the doubt on his economic program."

But he added, "This program seems like nothing else but a traditional Democratic tax and spend economic program."

However, the National Jewish Democratic Council, a group that encourages Jewish participation in Democratic politics, argued that the plan as a whole is "balanced, reasonable and forward looking."

Steve Gutow, the group's executive director, said in a statement that Clinton "has shown us how he would realistically trim the budget deficit in the long run, while combating unemployment in the short run."

NEWS ANALYSIS:

IMPACT OF CLINTON'S ECONOMIC PLAN ON CHARITABLE GIVING NOT YET CLEAR

By Larry Yudelson

NEW YORK, Feb. 18 (JTA) -- Like much else about President Clinton's economic plan, its impact on Jewish philanthropy is unclear.

Raising the top income tax bracket from 31 percent to an effective 39.6 percent may increase contributions to Jewish causes, since donors will get a larger deduction for their donation.

Conversely, it could hurt fund-raising efforts, since, deduction or not, America's richest individuals -- and biggest givers -- will have less money in their pockets at the end of the year.

"The relationship between the top tax rate and charitable giving is unclear," said Donald Kent, director of planned giving and foundation relations for the Council of Jewish Federations.

"As the rate has gone down over the last 20 years, charitable gifts from individuals have continued to go up."

Besides, said Kent, "the charitable deduction is not the primary reason people give the gift they give."

But Bob Smucker thinks the higher rates will mean higher giving. Smucker is director of governmental relations for the Independent Sector, an organization of 850 voluntary associations, foundations and corporate giving offices.

"Research shows that as the marginal tax rate increases, people give more," said Smucker, "especially very wealthy people."

And while Clinton, in his Wednesday night address announcing the plan, minimized the number of Americans to be affected by the income tax increases, the same wealthy minority whose tax rates will go up constitutes the financial backbone of federation and other charitable campaigns.

According to the 1990 National Jewish Population Study, the median annual income of

Jews was \$39,000 -- a figure that means half of American Jews will feel any bite from the Clinton plan at the gas pump, rather than on their tax returns.

But the 1.7 percent of Jewish households earning \$200,000 or more, who will see their top tax rates rise to 36 or 39.6 percent, are the backbone of Jewish communal institutions.

They represented half of those responding to a 1991 survey of CJF board members and lay presidents of local federations. They constituted a third of a broader strata of local Jewish leadership surveyed by the American Jewish Committee.

And they are basically the 1.6 percent of all federation donors who in 1987 gave \$10,000 or more, representing 57 percent of the campaign.

Not All Bad News For Wealthy

The news for their taxes under the Clinton plan, however, is not all bad.

According to Kent and Smucker, Clinton's proposal restores a tax break for donors that was eliminated in the 1986 tax reform under President Ronald Reagan, partially restored under President George Bush in 1990 and then allowed to expire last summer.

At issue was the tax deduction for appreciated property donated to charity, such as real estate or stock. Until 1986, the appreciated value could be deducted from income. But under the current rules, taxpayers subject to the Alternative Minimum Tax can only deduct the price they paid for the item they donate, not its present value.

"We know of several specific major gifts that have been delayed because of this issue," said Kent. "We're talking a significant difference in the amount they can leverage gifts."

The deduction is "very important for the Jewish community," said Smucker, "because the lead gift in almost any capital campaign would be a gift of stock."

Kent cautioned donors -- and not just the wealthy -- that hand in hand with this provision will come a demand for better record keeping.

Under a compromise worked out between the non-profit community and the Treasury Department last year, and expected to be part of the current package, charitable deductions over a certain limit, perhaps as low as \$100, can only be taken with a receipt.

This is to curb the practice of donors improperly deducting benefits received in exchange for their donations, such as the meals served at benefit dinners.

The Treasury estimates that such deductions cost \$1 billion or more in lost tax revenue annually. Under the compromise, benefits would be listed on the receipt as subtractions from the total donation.

One area where the Clinton plan holds bad news for philanthropies is the "3 percent floor." This provision eliminates deductions, including charitable ones, equal to 3 percent of adjusted income above \$100,000.

For someone with an adjusted income of \$150,000, the result would be to disqualify \$1,500 worth of deductions. For residents of New York and other high-tax states, that might not mean much. But in states with low taxes, "that has clearly and directly had an effect on charitable giving," said Kent.

Smucker agreed, saying that the current floor, which is due to expire in 1995 but Clinton would make permanent, paves the way to eliminating the charitable deduction altogether.

TEL AVIV STOCK EXCHANGE PLUNGES 4 PERCENT IN A DAY By David Landau

JERUSALEM, Feb. 18 (JTA) -- The Tel Aviv Stock Exchange took a plunge Thursday, with the leading share index going down 4 percent in a day of hectic trading.

The slump follows a week of nervous ups and downs, which traders explained as being the result of negative statements by public officials and reaction to declines on Wall Street.

Earlier in the week, Jacob Frenkel, governor of the Bank of Israel, and Finance Minister Avraham Shohat cautioned Israelis about over-investing in the stock exchange, warning that the market was liable to drop.

Thursday's slump was also linked to initial declines on Wall Street after U.S. President Clinton announced his new economic program. Although the New York slippage eventually halted, Israeli shares traded on Wall Street fell heavily.

A third cause of the Tel Aviv slump, according to brokers and traders, was a statement made by retired Supreme Court Justice Moshe Beisky on Wednesday in which he accused mutual fund directors of manipulating share prices.

Many Israelis who do not invest directly in the market put money into mutual funds, usually via their bank branch.

U.S. CONDEMNS LIBYA AMID REPORTS OF SECOND CHEMICAL WEAPONS PLANT By Deborah Kalb States News Service

WASHINGTON, Feb. 18 (JTA) -- The United States has condemned the ongoing Libyan chemical weapons manufacturing program, in the wake of news reports that the North African country is building a second chemical weapons plant.

Libya's chemical weapons program has long been a source of concern to the United States because of the country's links to terrorist activity. It has also been of deep concern to Israel, particularly as the Libyan air force worked to enhance its long-range flight capability.

State Department spokesman Joe Snyder expressed concern Thursday that other countries were helping Libya with its program. He warned that any support for the program goes against a U.N. Security Council resolution banning any weapons-related exports to Libya.

The New York Times reported this week that Libya is now building a second chemical weapons plant that could be used to produce and store poison gas. Libya already has one chemical plant, located in Rabta, approximately 25 miles southwest of the Libyan capital of Tripoli.

Snyder said the United States is convinced the Rabta plant "remains capable of producing chemical agents."

The Times report said that the new plant, camouflaged as a water project, is located underground in a hillside near Tarhunah, about 40 miles southeast of Tripoli. Work on the plant began late last year, and the plant was expected to be operational by late this year, the Times said.

Snyder congratulated Germany for acting to ensure that its firms "do not contribute to the proliferation of chemical weapons."

He called on other nations "to follow the German example" in carefully checking exports of "dual-use chemicals and equipment that have applications in the field of chemical weapons."

**'LIBERATORS' FILM WITHDRAWN
AFTER VERACITY QUESTIONED**
By Debra Nussbaum Cohen

NEW YORK, Feb. 18 (JTA) -- Screening of the film "The Liberators" for audiences of blacks and Jews around the country was intended to help build bridges between the two communities.

But that plan has been stymied, at least temporarily, by the producers' withdrawal of the film from circulation because of serious questions about its veracity.

Critics say that while the premise of "The Liberators: Fighting on Two Fronts in WWII" is true -- that black soldiers were among the first to reach several of the Nazi death camps, and that their work has long been ignored both by the army and by historians -- the specifics of this important chapter of history were distorted in the film.

Most importantly, according to Kenneth Stern, author of a 14-page report on the film, "the film claims, despite convincing evidence to the contrary, that the all-black 761st Tank Battalion liberated concentration camps at Buchenwald and Dachau."

Other black soldiers did indeed reach those camps soon after the Nazis were defeated, but the 761st had no role in their liberation.

They did, however, participate in liberating Gunskirchen, a subunit of the Mauthausen camp.

"The producers have twisted what both survivors and liberators have said," according to Stern's report. "None of the survivors are certain they remember the 761st at Buchenwald -- they all remember blacks, and indeed there were blacks there," he wrote.

E.G. McConnell, a member of the battalion, worked with the producers of the film until he began believing that they were faking material, according to an article in the Feb. 8 issue of The New Republic.

"It's a lie," he said. "We were nowhere near these camps when they were liberated."

In an interview, Stern, program specialist on extremism and anti-Semitism at the American Jewish Committee, said, "This vehicle, which could have had the right role (in correcting history), is hopelessly tarnished."

Well Beyond 'Artistic License'

In his report, he wrote that "the tragedy of 'The Liberators' is that the film has serious factual flaws, well beyond what can be written off as 'artistic license.'"

He cited what he called the film's "most glaring historical errors," which involved the liberation of Buchenwald.

In the film, a narrator describes a scene in which "two veterans of the 761st Tank Battalion returned to Buchenwald with Ben Bender, who had been imprisoned there as a boy."

"In fact," wrote Stern, "as the producers acknowledged to me, neither (of the veterans) were ever in Buchenwald before the filming of the scene."

The film had a highly publicized screening in late December, when about 1,200 blacks and Jews watched it at New York's historic Harlem theater, the Apollo.

Afterwards, there was an emotional embrace between survivors, including some of those liberated from death's grasp by the black American soldiers they called "black angels," and black and Jewish leaders, including the Rev. Jesse Jackson.

At the event, Jackson announced plans to show the film to black and Jewish audiences in 25 cities around the country.

The producers have said the documentary will not be shown on television or at public gatherings while under review, and that video copies will not be sold.

Jackson was not available for comment after the film was withdrawn, but he told the Jewish Telegraphic Agency last week that the inaccuracies had not changed his plans to show the film in Los Angeles in March, and in other cities.

"I do not think the debate weakens the message," he said. "If the message is that some blacks got to some camps while the stench of burning bodies was still in the air, that's a fact. Fortunately we have witnesses to testify to that."

"The film is not the central issue," he said. "The message is of our relationship in World War II and since, and our challenge to go beyond that."

According to Eva Fogelman, a founder of the Jewish Foundation for Christian Rescuers and a contributing producer of the film, criticizing the details of the documentary does irreparable damage to its overall message.

"The effect that all this has is that all the work that has been done in getting survivor testimony and other eyewitness accounts over the last 10 years is really going to be undermined," she said.

"Historians should review all of the material and come out with new research on the role of blacks in the military and in the liberation," she added. "This is not a job for community workers or for journalists."

Nina Rosenblum and Bill Miles, who with WNET, the public television station in New York, produced "The Liberators," announced the temporary withdrawal of the film on Feb. 11.

"We believe a full review of all the issues raised would be appropriate so that any ambiguities can be clarified," they said.

**BIG MAC IS MAKING ALIYAH,
BUT FRIES ARE HOT POTATO**
By Hugh Orgel

TEL AVIV, Feb. 18 (JTA) -- Preparations are under way to introduce the Big Mac into Israel, but McDonald's has insisted that it be allowed to import french fries or have Israeli farmers grow a new strain of potatoes to meet the fast-food company's strict standards.

McDonald's, the international chain with more than 13,000 restaurants in 65 countries, has started issuing franchises to local businessmen throughout the country.

But the chain, headquartered in Illinois, refuses to use locally grown potatoes for their french fries, claiming that the Israeli spuds use more oil in the frying process and are twice as expensive as the Russett Burbank strain used by the company in America.

Until now, the Ministry of Agriculture has barred the import of frozen french fries but, according to recent reports, may bow to pressure by the Ministry of Commerce and Industry to make an exception for limited amounts of the product to accompany the burgers.

But McDonald's is also investigating the possibility of persuading local farmers to grow a strain of potatoes that would meet the company's standard for frying, could be frozen locally and, of course, be purchased at the right price.

**SHAS MINISTER BREAKS SILENCE,
TALKS TO POLICE ABOUT CHARGES**
By Gil Sedan

JERUSALEM, Feb. 18 (JTA) -- Interior Minister Arye Deri agreed for the first time this week to answer police questions about his alleged involvement in fraudulent activities that have been the subject of a nearly three-year-long investigation.

Deri was interrogated Thursday at the national police headquarters in Jerusalem for the first day of question-and-answer sessions expected to continue for several weeks.

Deri, who until now has insisted on his right to silence and refused to cooperate with police, is suspected of having transferred public funds illegally to religious organizations affiliated with Shas, the Orthodox Sephardic party which he heads.

Police also have questioned Deri's personal financial transactions.

The investigation's result may have significant political repercussions, given the governing coalition's reliance on Shas as a partner.

Other Shas figures are also under investigation for suspected fraud.

Police ended Deri's questioning Thursday after four hours, allowing him to return to his wife, who gave birth the previous day.

Police sources, as well as Deri himself, said the questioning was held in a "pleasant" atmosphere. They described this first interrogation as "the opening scene."

The sources added that with an investigation as complex as this one, no judgments could be made after just one session.

Deri told reporters he had answered all questions and did not exercise his right to remain silent. He reiterated his belief that once the investigation is over, no charges will be pressed against him.

The next questioning session will be held Monday.

**HUNGARIAN LEADER AGREES TO PANEL
TO CONSIDER HOLOCAUST REPARATIONS**
By Agnes Bohm

BUDAPEST, Feb. 18 (JTA) -- After meeting with officials from the World Jewish Congress, the Hungarian Foreign Minister has agreed to set up a committee to resolve the question of reparations for Jewish property lost or confiscated during World War II.

Israel Singer, secretary-general of the World Jewish Congress, met Tuesday with Foreign Minister Geza Jeszensky, when it was agreed to set up two committees to work on the issue: one consisting of Hungarian government officials and the other of representatives of the Hungarian Jewish community and world Jewish organizations.

Singer reached a similar agreement last week with officials of the new Slovak republic.

The Jewish state, as a primary recipient of repayments on behalf of world Jewry, has authorized the WJC to discuss the issue with various Eastern European countries. Edgar Bronfman, WJC president, signed a memorandum to this effect last week with Israel's minister of finance, Avraham Shohat.

Israel and Jewish organizations are seeking from East European countries the type of restitution and reparations they have already received from the former West German government.

**ELEAZAR LIPSKY IS DEAD AT 81;
WRITER, LAWYER, JEWISH ACTIVIST**
By Susan Birnbaum

NEW YORK (JTA) -- Eleazar Lipsky, a novelist and lawyer active in Jewish affairs, died Sunday in New York of leukemia. He was 81.

Lipsky, the son of writer and Zionist leader Louis Lipsky, was a co-founder of the New York Jewish Week and was, in the 1960s, president of the Jewish Telegraphic Agency.

Lipsky saw his works, which received critical praise, performed on the screen and on radio.

The productions were based on mystery novels and courtroom dramas, whose stuff of life was based on his own experiences with legal and courtroom procedure.

Lipsky, who practiced law until three weeks ago, was an assistant district attorney in Manhattan in the 1940s and later had a general law practice.

He wrote a 100-page manuscript which became the basis for a 1947 film, "Kiss of Death."

Later that year, the work was published as a novel, too.

He wrote a detective novel, "The People Against O'Hara," which was published in 1950 and made into a film the next year starring Spencer Tracy.

Lipsky wrote a series of radio plays under the title "The Indictment," which were broadcast in the late 1950s.

Among his non-detective novels were "Lincoln McKeever," published in 1953, and "The Devil's Daughter," published in 1969.

Lipsky joined his love of mystery and law by being legal counsel to the Mystery Writers of America. He was also counsel to the New York Artists Equity Association.

He was on the board of the American Jewish League for Israel, a 1,600-member organization founded 40 years ago to support Israel with no affiliation to any political party.

Lipsky was warmly remembered by Julius Berman, JTA board chairman, who said, "Although I was not associated with the JTA when he was president, I've always marveled at both his dedication to the Jewish people throughout the years and the fact that within JTA, even after his service as president, he continued to share with us his reservoir of knowledge and sage advice."

Lipsky was collecting his father's papers for the archives on Jewish history at Brandeis, said his son, Michael.

He said that one of his father's first jobs was on a Jewish weekly newspaper in the 1930s. "And he was also a fund-raiser in the 1930s for Zionist causes. Family history includes his going to Texas to small towns to raise funds for Palestine."

ISRAELI FILM DIRECTOR DEAD AT 39
By Gil Sedan

JERUSALEM, Feb. 17 (JTA) -- Amos Guttman, the noted Israeli film director whose work often dealt with problems facing gays, died Tuesday of AIDS at age 39.

Guttman's latest film, "Wonderful Favor," depicted the last years of AIDS patients and is currently being shown at the International Film Festival in Berlin.

Guttman directed five full-length feature films and two shorter movies.