



NEWS AT A GLANCE

■ Israel and the Palestinians failed to reach an agreement for the next phase of Palestinian self-rule by their July 1 target date. Gaps remained after an all-night meeting between Israeli Foreign Minister Shimon Peres and Yasser Arafat, head of the Palestinian Authority. The two leaders are expected to meet again, and officials said an agreement could be signed by the end of July.

■ Police in Argentina reportedly arrested another suspect in connection with the car-bomb attack on the Jewish community's headquarters in Buenos Aires last July. The suspect, the third arrested in the last two weeks, was captured at a stolen car parts shop on the outskirts of Buenos Aires, where Argentine authorities also confiscated vehicles and documents.

■ The Jewish Agency Assembly meeting in Jerusalem closed with the official election of Charles "Corky" Goodman as chairman of its Board of Governors and Ehud Haviv as its new comptroller. The assembly also approved a budget of \$519 million for 1995.

■ A survey of Israeli public attitudes found that a majority of Israelis believe that the United Jewish Appeal and the Jewish Agency for Israel are important organizations. [Page 3]

■ Five communities west of Jerusalem were evacuated and at least 19 people suffered from smoke inhalation as a result of a fire outside Jerusalem, officials said. Firefighters initially suspected that arsonists started the blaze, but later said it could have started accidentally. The Jerusalem-Tel Aviv highway in the area of the fire was closed. The fire was the biggest in Israel's history, causing more than \$20 million damage to forests alone.

■ Federal prosecutors dropped charges against a Brooklyn Chasidic rabbi, Israel Grunwald, who was accused of sexually molesting a teen-age girl. Grunwald and his assistant, Yehudah Friedlander, had been arrested in Los Angeles after a flight from Australia. Friedlander, who was indicted, has a trial date of Aug. 8.

Budget resolution would slash services to Jewish poor, elderly

By Jennifer Batog

WASHINGTON, July 2 (JTA) — A Republican plan to balance the federal budget would deprive many elderly, poor and disadvantaged Americans of the services they now receive from Jewish charities nationwide, according to a new study of the proposal's impact.

Jewish charities would face a huge gap in funding by 2002 if spending guidelines set by the Senate and House of Representatives are implemented, according to the study, which was released at a news conference here June 15.

Officials of Jewish charities say it would be difficult, if not impossible, to fill the holes in federal funding that the federal budget cuts would leave.

"It's going to impact our system dramatically," said Deborah Lauter, community relations director of the Atlanta Jewish Federation.

Four of the federation's constituent agencies were profiled in the study.

"The biggest hits are to those who need the most help: the elderly, youth, children, the disabled, families in crisis," Lauter said of the projected cuts.

The spending proposals, which cleared their final hurdle in Congress last week, amount to government trying to "divorce" itself from its longstanding partnership with non-profit organizations, she added. "We, as non-profits, are left with the child support."

Independent Sector, a coalition of about 800 voluntary organizations, examined 108 charities nationwide in the study, which is titled, "The Impact of Federal Budget Proposals Upon the Activities of Charitable Organizations and the People They Serve, 1996 to 2002."

The study compares the spending caps in the budget resolution approved by the House on May 18 with Congressional Budget Office spending figures to project the budget's impact on social service programs.

The spending cuts in the Senate's version of the bill were not as deep.

But officials of Jewish charities say the House-Senate compromise hammered out last week would still have a devastating impact on social services.

'Impossible for our agencies to make up the difference'

"The combined resolution would have the same effect" on social services programs as the House version, said Diana Aviv, director of the Washington Action office of the Council of Jewish Federations.

"I think we're talking about some very serious and substantial cuts" that will make it "impossible for our agencies to make up the difference," she said.

Congress passed its seven-year budget plan June 29. The House-Senate resolution trims more than \$900 billion from the Housing and Urban Development and the Health and Human Services department budgets over seven years, Aviv said.

The lion's share of the cuts needed to fulfill the Republican plan of balancing the budget by 2002 appears to come from social services, she added.

U.S. charities would face a cumulative \$254 billion shortfall during the seven-year period covered by the budget resolution.

To compensate, they would need to increase their donations by 252 percent over 1994 donations, according to the report by the Independent Sector coalition.

By 2002, federal funding would make up just 25 percent of charities' total program spending, down from 32 percent in 1994, the study says.

The study details the impact of the budget cuts not only in dollars, but also in services provided.

For example, the Atlanta Jewish Community Center would serve 3,456 fewer meals in its meal program during fiscal years 1996 to 2002 and would face a cumulative funding gap of more than \$80,000 by 2002, the study found. The center's meal program, funded by federal dollars, expects

to serve 26,845 meals during fiscal year 1996, said Sandra Craine, director of its Midtown Branch.

Affiliated with the Atlanta Jewish Federation, the center provides housing, meals, skills training as well as recreation for the elderly, mentally ill and physically challenged.

Craine said her organization would not take the cuts "lying down."

"We definitely intend to serve our seniors," she added.

The center will have to find "creative ways" to supplement lost government funding, she said.

The spending guidelines would hit social service programs harder than other areas facing cuts, said Joel Carp, senior vice president at the Jewish Federation of Metropolitan Chicago, which was also profiled in the study.

"We could be devastated," he said. "This is not about cuts to agencies or federations — it's about destruction of services to people. It's about services we will not be able to provide."

In its own assessment of the House budget cuts, the federation concluded that its Security Deposit Guarantee Program would serve 64 fewer homeless families a year because of the funding loss.

In fiscal year 1994, the federation helped 468 people, according to the assessment, "Individuals and Families Without a Safety Net," which was published last month.

Carp estimated that the organization's non-health care programs would lose about \$7 million in funding a year, depriving about 7,000 people of services.

To try to combat the cuts, the federation sent 30 of its representatives to Capitol Hill in May to meet with lawmakers and Clinton administration officials.

Carp said that although the federation has a good giving base, it would be "impossible" to make up the funding gap and continue some of its services.

"If we lose millions of dollars, we will not serve thousands of people. We can't make up the difference," he said.

Lauter of Atlanta expressed similar sentiments.

'Trying to sell why it's important to give'

"We're hard pressed to know how to make up the difference" in funding that the cuts would leave, she said, adding that private donations are not likely to plug the holes.

"We're always trying to sell why it is important for Jews to give," she said. Now, charities will have to "strengthen that plea," she added.

There is one ray of hope for charities, said David Arons, a legislative assistant at Independent Sector.

The budget bill is a non-binding set of spending guidelines that congressional authorization and appropriations committees use to set their spending.

Charities could take their case for specific programs to those committees and "hope for the best," he said.

Independent Sector asked more than 200 of its affiliates to participate in the study, based on their location and the types of services they provided. Although the organizations profiled were not a national sample, their programs represented those likely to receive government funding.

Among the other Jewish social service agencies profiled in the Independent Sector study were the Jewish Home for the Aged and United Jewish Community Centers in San Francisco; the Jewish Family Service of Los Angeles; and the Jewish Family Services and Jewish Vocational in Atlanta. □

Proposed tax credit unlikely to plug gaps left by budget cuts

By Jennifer Batog

WASHINGTON, July 2 (JTA) — A tax cut proposal designed to help charities plug the gaps created by massive federal budget cuts is winning little enthusiasm among officials of Jewish social service agencies.

The measure, known as "The Choice in Welfare Tax Credit Bill," would give taxpayers a dollar-for-dollar tax credit up to \$100 for individuals and \$200 for joint filers when they donate to a qualified charity. It is being spearheaded by Sen. Rick Santorum (R-Pa.) and Reps. Jim Kolbe (R-Ariz.) and Joe Knollenberg (R-Mich.).

Officials of Jewish charities welcomed the legislation but said it was not likely to ease the burden government funding cuts would place on private charities.

"If the federal government can suggest ways to increase contributions, that would be fine, but I don't think taking government money away and replacing it with charitable donations will work," said William Rapfogel, executive director of the Metropolitan New York Coordinating Council on Jewish Poverty.

A network of 25 local agencies, Met Council assists the poor in housing, entitlements and other aid.

Although the tax credit could increase donations, it does not specify what charities the money goes to, Rapfogel said. Nor does it take into account the difference in cost of living between the states.

"It may increase donations, but there's no needs assessment here," he said. "There's no suggestion that this will target donations to particular areas" that may need it most.

Also, only charities that work with those who make 150 percent or less of the poverty line and spend 30 percent or less of their revenue on administrative costs will qualify as tax credits, possibly excluding some Jewish groups, said Rapfogel.

Another Jewish official expressing skepticism is Martin Wenick, executive vice president of the Hebrew Immigrant Aid Society, which assists Jewish refugees and immigrants. "I'm not convinced that this in and of itself is sufficient to stimulate large sums of private dollars that would replace the loss of federal funds," he said. "I think this would be a mere dot on the horizon."

Although encouraging people to donate to charities is positive, Wenick said he did not think the bill would have a major impact on fund raising.

No congressional hearings have been scheduled on the measure. □

Jews more welcome in Australia than other religions, study says

By Jeremy Jones

SYDNEY, Australia, July 2 (JTA) — Less than 10 percent of Australians do not welcome Jews as family members or close friends, according to a survey released last week of attitudes toward religious groups.

Fully 59 percent of Australians positively welcome Jews as family members, the study showed.

Acceptance of Jews was comparable to that of born-again Christians, and higher than that of Buddhists, Hindus, Muslims and Jehovah's Witnesses.

The survey was conducted for the World Council of Religion and Peace as a project for the U.N. International Year of Tolerance.

The new survey's results differ from a 1988 survey by the federal government's Office of Multicultural Affairs, which found that Jews were welcome as family members by only 15 percent of Australians. □

UJA? Jewish Agency? Poll shows Israelis view the bodies as vital

By Larry Yudelson

NEW YORK, July 2 (JTA) — A survey of the Israeli public's attitudes toward the United Jewish Appeal and the issues it deals with has brought reassuring news for officials at the premier Jewish philanthropy.

The survey reaffirmed "that we are relevant," said Richard Pearlstone, national chairman of UJA, speaking on a telephone conference call from Israel.

The results of the survey were encouraging for both UJA and the Jewish Agency for Israel, the quasi-governmental body that is the primary recipient of money raised by UJA for Israel.

Both organizations have taken a number of blows to their philanthropic pre-eminence in recent years.

American Jewish community federations, faced with flat campaigns and increased concern for local causes, have scaled back the amount of money they pass on to UJA.

And last year, Israeli Deputy Foreign Minister Yossi Beilin sent shockwaves through the philanthropic system when he bluntly told American Jews that it was time for UJA and the Jewish Agency to get out of the social welfare business in Israel.

As American leaders of UJA felt they were making strides in reforming the Jewish Agency in recent years, they began to worry that the body's image in Israel was due for an overhaul.

58% of Israelis think Agency is vital

The Jewish Agency Assembly, the organization's governing body that met this week in Jerusalem, has, in the past, directed the Jewish Agency to allocate money toward improving its image in Israel.

The recent survey by Gallup Israel, conducted in May and June, was an effort to gauge recent attitudes.

"We have two markets," said Brian Lurie, UJA's executive vice president, citing both the American Jewish community, where the money is raised, and Israel, where UJA sponsors programs.

The survey found that 58 percent of the Israeli public considers the Jewish Agency to be fulfilling a very vital or vital role; 13 percent an average role; and 12 percent not a vital role. The remainder said they did not know.

A similar percentage of those surveyed affirmed that UJA plays a vital role. Not surprisingly, Israelis were less familiar with UJA, which raises money in the Diaspora, than they were with the Jewish Agency, which delivers the services in Israel.

In the telephone interview, UJA leaders expressed pleasure that 23 percent of respondents correctly identified UJA's role as "funds collection."

Another 25 percent had heard of UJA, but could not identify its function.

The survey also adds fuel to the debate raging over the future of the World Zionist Organization.

Jewish leaders gathered in Jerusalem last week for WZO's Zionist General Council and for the Jewish Agency Assembly this week spent much of their time focused on the likely merger of the two organizations by the year 1997.

Two-thirds of the Israelis surveyed were unable to define the role of WZO, whose chief mission is to promote aliyah and Zionist activities, primarily in Western countries. WZO was also listed as least vital compared to UJA and the Jewish Agency. Fully 35 percent said it was fulfilling a vital role, against 16 percent saying its role was not vital.

According to Lurie, the poll refutes Beilin's notion that Israelis do not want American charity.

However, the poll did not ask about the importance of Diaspora assistance to Youth Aliyah programs or Project Renewal neighborhoods — the sort of social welfare projects Beilin thinks should be handled by the Israeli government.

Instead, the poll examined Israelis' attitudes toward the emerging, post-Beilin agenda of the Jewish Agency, an agenda in which the emphasis is on continuing the aliyah from the former Soviet Union and building a "living bridge" between Israel and the Diaspora.

On those fronts, UJA and the Jewish Agency seem to have won strong endorsement for their new directions.

Asked which Jewish issue should be first priority on Israel's agenda, 36 percent of the Israelis surveyed chose immigration.

The Jewish Agency funds immigration for Jews in danger.

This has been the agency's central priority since the beginning of mass aliyah from the former Soviet Union.

Preventing assimilation was chosen as the top priority Jewish issue for Israel by 29 percent of those surveyed, while 22 percent chose tightening the bond between Jews in the Diaspora and Israel.

Only 6 percent said activation of Jews as a political lobby in their respective countries should be the first priority.

Asked about factors threatening the continuity of the Jewish people, assimilation of Diaspora Jews was mentioned by 36 percent, the mixing of religion and politics by 29 percent, abandoning the religion by 25 percent and anti-Semitism by 25 percent.

As a measure of Israelis' identification with Diaspora Jews, the survey asked respondents whether they define themselves as Jewish or Israeli.

The majority — 57 percent — defined themselves first as Jewish, while 22 percent defined themselves as Israeli first.

Eighteen percent defined themselves as equally Jewish and Israeli.

Nearly half agreed with the statement that "the Jewish Agency represents all parts of the Jewish people abroad and therefore acts as a parliament of the Diaspora Jews," but more than a quarter disagreed.

Should Agency stick to immigration?

The survey showed a split on the question of whether the Jewish Agency should confine its activities to promoting immigration to Israel.

Forty-five percent agreed with the proposition that the Jewish Agency should only work for immigration, but 36 percent opposed that notion.

In a question reflecting concern by American Jews as to why Israel's increased prosperity has not sparked a growth of philanthropy in that country, the survey asked Israelis the likelihood of their donating to various causes.

Forty-three percent said the chances were good that they would donate to neighborhood and youth centers in impoverished Israeli development towns. Such programs were at the heart of the Jewish Agency's Project Renewal program, which linked American Jewish communities to development towns in Israel.

But slightly more — 48 percent — said they would reach into their pockets to assist needy Jews in the Diaspora.

The survey, part of Gallup Israel's regular polling of the Israeli public, included a sample of more than 600 Jewish adults. The margin of error was plus or minus 4 percent. □

Jackson's move on new lyrics draws praise from Jewish groups

By Avi V. Stieglitz

NEW YORK, July 2 (JTA) — Jewish community officials have welcomed Michael Jackson's announcement that he will be returning to the studio to re-record a song with anti-Semitic lyrics.

However, they remain concerned how the offensive lyrics got on the album in the first place.

The action by the pop superstar, termed "unprecedented" by several Jewish spokesmen, followed a week of intensive public pressure and harsh criticism in the media.

The criticism focused on the words "Jew me" and "kike me," contained in the song "They Don't Care About Us." The song is included in Jackson's new album, "HIStory: Past, Present and Future, Book I."

In the re-recorded version, Jackson plans to substitute the words "do me" and "strike me" for the offensive lyrics.

The original slurs were immediately protested by the Anti-Defamation League and the Simon Wiesenthal Center, and in editorial comments in The Wall Street Journal, the Los Angeles Times and Daily Variety, the entertainment industry trade paper.

In an initial reaction to the uproar, Jackson had apologized for the "unintentional hurt" he had inflicted and promised to attach a written statement for tolerance and against racism and anti-Semitism in all copies of the album not yet shipped out.

However, a demand for stronger action was voiced by Abraham Foxman, ADL's national director, and Army Archerd, the influential Jewish columnist for Daily Variety.

Jackson phoned Archerd after the columnist had criticized the pop star for putting old anti-Semitic slurs "back into common conversation."

If he could erase the offensive words, he would, Jackson said, adding, "Haven't you ever done something that you wish you had never done? I do, so now I'll change it."

At the same time, Jackson sent another letter of apology to Foxman.

'Unprecedented and significant reversal'

In a phone interview, Foxman described Jackson's action as "unprecedented and a significant reversal," and credited Michael Schulhof, president of the Sony Corp. of America, for "making it happen."

Schulhof and Sony, the parent company of Jackson's record distributor, Epic Records, "showed sensitivity and corporate responsibility," Foxman said.

But Foxman also said it is Jackson's responsibility to use his fame and influence to speak out against the use of anti-Semitic, racist and hate words.

"At the very least, he should do public service announcements and perhaps even team up with Sony to do a 'Concert Against Hate,'" Foxman said.

In his earliest response to the controversy, Jackson had said many of his closest friends and advisers were Jewish and that they had raised no objections to the lyrics before they were recorded. One was Sandy Gallin, Jackson's manager, who told the Los Angeles Times last week that he did not realize the ramifications of the lyrics.

"I personally had no idea," said Gallin. "It (the slur) has not been in use for many, many years, and was not something that children would recognize as racism. The mere usage of the word, of bringing it back, is the essence of where the mistake was."

But some in the Jewish community continued to express concern that the offensive lyrics had not been flagged. "I'm very pleased that Michael Jackson admitted

he made a mistake but the larger question is how and why he recorded those lyrics in the first place," said Rabbi James Rudin, director of interreligious affairs of the American Jewish Committee.

"It seems that he is surrounded by a bunch of yes-men and it is the responsibility of real advisers to tell [an artist] that he has crossed the line," said Rabbi Marvin Hier, dean of the Los Angeles-based Simon Wiesenthal Center.

Hier said he hoped that Jackson's prompt apology and actions to rectify the situation would send a message to other artists that anti-Semitism and bigotry are unacceptable. "It's unprecedented in the music industry for an artist to go back and remove offensive words," he said.

Hier echoed the sentiments of many of his colleagues in stating that he does not think that Jackson used the anti-Semitic slurs intentionally, but rather that the superstar did not understand the implications of his words.

He said that during a tour of the Wiesenthal Center's Museum of Tolerance, Jackson was overwhelmed and tearful, which are not the characteristics of an anti-Semite or bigot. "This is a person who is so out of touch with reality that he did not realize," Hier said.

Sony executives have reportedly invested \$30 million to promote the Jackson album and hope to sell 20 million copies. Some 2 million have already been shipped to stores. The first week's sales of the two-disc "HIStory," retailing for about \$25, were reported at between 375,000 and 470,000.

These figures were described by industry sources as "robust," but not record breakers. □

(JTA correspondent Tom Tugend in Los Angeles contributed to this report.)

Suspected war criminal flees Canada just before visa expires

By Gil Kezwer

TORONTO, July 2 (JTA) — Konrad Kalejs, suspected of being a key officer in the notorious Arajs Kommando of the World War II Latvian Security Police, fled Canada for Australia recently, hours before his visitor's visa expired.

Kalejs, 81, had been scheduled for an Aug. 4 deportation hearing in Toronto. The hearing had already been delayed two months, angering Jewish officials worldwide.

Kalejs, an Australian citizen, has now been added to a watch list of persons inadmissible to Canada. He was deported from the United States in 1994 because of his involvement in an SS auxiliary unit that murdered tens of thousands of Latvian Jews, Gypsies and Communists.

When Kalejs' hearing was delayed, Australian Jewish leaders called on their government to "seek alternate means" to deal with Nazi war criminals who also are citizens of Australia.

Earlier this month, Bernie Farber, spokesman for the Canadian Jewish Congress, said of the rescheduling of Kalejs' deportation hearing: "Granting him this delay without incarcerating him is tantamount to letting him escape."

The Canadian government, which did not jail Kalejs during the delay, said at the time that it had no reason to think that Kalejs would not show up for his August hearing.

In a related development, former CJC President Irving Abella has been appointed head of CJC's war crimes committee. Abella, a historian at York University here who has written about Canada's wartime refusal to admit Jewish refugees, succeeds Milton Harris, who headed the committee for 12 years. □