



NEWS AT A GLANCE

■ **Germany agreed to a multimillion dollar settlement with 11 Holocaust survivors, including Hugo Princz, who had been denied reparations for his incarceration at the Dachau concentration camp because he was an American citizen during the Holocaust.**

■ **The status of a planned signing ceremony between Israel and the Palestine Liberation Organization remained uncertain as Foreign Minister Shimon Peres and Palestine Liberation Organization leader Yasser Arafat continued marathon talks on extending Palestinian self-rule in the West Bank. [Page 3]**

■ **Senior Israeli government officials and members of the American Israel Public Affairs Committee pulled out all the stops to convince House International Relations Committee Chairman Benjamin Gilman (R-N.Y.) to cancel a Wednesday hearing on the Middle East peace process. The officials fear that the session would provide an opening for opponents of the peace process to criticize the Israeli government.**

■ **Georgian President Eduard Shevardnadze flew to his country's small mountainous town of Oni for a celebration marking the return to the Jewish community of a synagogue that had been confiscated by Communist authorities. At the event, Shevardnadze met with a delegation of the American Jewish Joint Distribution Committee, which was in Georgia at his invitation.**

■ **Germany arrested a suspect in the May arson attack on the synagogue in the northern German city of Lubeck. Officials said the man, whom they described as retarded, had torched the shul because he is a pyromaniac, not because of anti-Semitic motives. [Page 4]**

■ **The mayor of Rome shelved his plan to rename a street after a leading official in Fascist dictator Benito Mussolini's government, after pressure from Jewish and left-wing groups. The mayor had defended his idea of naming the street for Giuseppe Bottai, saying that it was a way for Italians to come to terms with their Fascist past.**

FOCUS ON ISSUES

Study shows Jewish agencies highly dependent on government

By Matthew Dorf

WASHINGTON (JTA) — Reeling from a study showing heavier than expected dependence on government funding, Jewish federations across the country are gearing up for a fight to save their nursing homes, social service agencies and hospitals.

Planned congressional budget cuts to social welfare programs would eviscerate Jewish services nationwide and threaten the entire federation system, according to the Council of Jewish Federations.

Jewish communal agencies receive more than \$3.67 billion from federal, state and local governments. The figure represents about 41 percent of their total budgets, according to a CJF survey of 45 federations released last week.

"The federated system is about to confront a crisis that will test our leadership as never before," said Richard Wexler, chairman of the CJF's Community Planning and Financial Resource Development Steering Committee.

"No longer can the Jewish community adopt a 'wait and see' attitude," he said as he presented the report to the CJF executive committee meeting last week in Detroit.

"It's too late for that," he said. "We must recognize the emergency and deal with it now."

Diana Aviv, the director of the CJF's Washington action office, which prepared the report, said she was "shocked, agog and startled when numbers came in."

"I had bought into the myth that we provide for our own," she said, but, in fact, the Jewish community is deeply dependent on government funds.

Although officials admit that the numbers are shocking, they are quick to point out that more than two-thirds of the \$3.67 billion goes to Jewish-supported hospitals in the form of Medicaid and Medicare payments.

But the planned federal budget cuts would hit most Jewish charities extraordinarily hard.

Federations and their agencies in the 45 communities on which the survey is based receive \$1.08 billion a year for services outside of hospitals.

Federations may have to scale back or cut services

About half of those funds support Jewish nursing homes, with the remainder going to agencies that serve Jewish individuals and families in need.

Without this money, officials say, many federations would have to scale back or, in some cases, eliminate services including food, clothing, child care and vocational services for the needy.

Charities across the country are grappling with similar concerns as lawmakers in Washington move to cut back on an array of social welfare programs.

The Republican majority in Congress has vowed to balance the budget in seven years without cutting Social Security or the defense budget.

In order to reach that goal, many federal programs will face cuts of 25 percent to 75 percent, if they receive any funding at all, according to the study.

But few social services agencies are as dependent on government dollars as those affiliated with the Jewish community.

Whereas most not-for-profit agencies receive an average of 35 percent of their budgets from government sources, the Jewish community receives about 41 percent, according to the study.

That figure excludes money for hospitals as well as services in New York City, whose UJA-Federation of Jewish Philanthropies ranks as the largest recipient of government funds in the Jewish community.

The New York federation receives \$2.45 billion a year, reflecting 62 percent of its budget.

As large as the numbers are, the actual dependence on government dollars "could be two times higher" than the study reflects, said Aviv.

Some funds, through welfare programs such as Supplemental Security

Income, go directly to recipients who spend much of it on services provided by Jewish charities, she said.

The survey only analyzed government dollars going directly to federations or their constituent agencies.

Jewish officials also caution that many states match federal contributions. If the federal budgets are cut, many states are expected to follow suit, thereby increasing the overall loss of government funds.

In addition, the study only includes government dollars to hospitals and nursing homes that receive allocations from their local federations.

Most Jewish-supported agencies serve Jews as well as non-Jews, but the overwhelming number of beneficiaries are Jewish, officials say.

Federations estimate that more than 70 percent of those who seek help are Jewish. In some communities, officials say more than 90 percent of service recipients are Jewish.

Government regulations prevent some service providers from tracking the religion or ethnicity of their clientele.

Among the agencies that would be most affected are the federation-supported Jewish vocational services, which receive \$135 million in government funds, 77 percent of their budgets, and the Jewish family service agencies, which receive about \$134 million a year, representing 61 percent of their budgets.

In New York, the Jewish Board of Family and Children's Services gets 82 percent of its \$80 million annual budget from public sources, said Paul Levine, the agency's associate executive vice president.

The New York agency is the largest not-for-profit mental health and social service provider in the country, according to an agency spokeswoman.

Many factors contribute to the fact that the Jewish community receives more government funds on average than other not-for-profits.

According to Aviv, the higher funding levels are a result of the disproportionately larger share of older Jews among the American Jewish population.

"Most services to elderly are cash-heavy," Aviv said, referring to Medicaid, Medicare and other government-funded social service programs.

'No possible way' to make up losses

Aviv also said the greater contributions are a result of the Jewish community's inherent success in winning government grants and dollars.

In addition, federal refugee resettlement programs add to the coffers of Jewish agencies.

Although the actual refugee programs feed only about \$46 million per year into the Jewish communal system, refugees can access other federal monies for services the federations and their agencies provide.

And even though they hope to stave off some federal cutbacks, federations will face a choice in the coming years, according to the report: Cut back services or raise more money.

Federation leaders are alarmed at the prospect of facing such a stark choice.

In Chicago, "there is no possible way the community can make up these losses," said Joel Carp, senior vice president of community services and government relations at the Jewish Federation of Metropolitan Chicago.

Excluding Medicaid and Medicare payments to the federation-assisted hospital, Carp estimates that his federation would suffer a \$7.3 million budget shortfall if the proposed cuts pass Congress.

"We're not talking about paying light bills. There are direct services to people," Carp said.

"The impact cannot be overstated," he added.

"We will not be able to take care of Jews who will walk into the Chicago federation and say, 'We're hungry and need food.'"

"This is a clarion call to the American Jewish community that our interest in the budget is not a matter of partisan politics," Aviv said. "It's a matter of dollars and cents to the federation system."

Wexler voiced similar sentiments. The study "is not a matter of politics; it is not hyperbole," he said. "It is a matter of community survival."

With this in mind, the CJF is urging local federations to start preparing an aggressive campaign aimed at local, state and federal officials.

As Congress continues to shift more and more resources directly to the states in the form of block grants, local activism has taken on increased importance.

CJF officials are urging federations to step up lobbying and participation at the state level.

"Federations must ensure that communal lay leaders serve on appropriate commissions, oversight boards and committees responsible for the distribution of funds to community groups," the report urges.

The CJF is also urging local federations to use the study as a tool to convince social service agencies to "make changes that they have long resisted and find new ways to deliver services more efficiently," according to the report.

While activists are planning strategies for local and state advocacy, much attention remains focused on Capitol Hill. Much of the impact on the Jewish community depends on how Congress reforms the Medicare and Medicaid systems.

House Republicans recently unveiled plans to scale back programs and automatically cut payments to care providers if savings targets are not met.

Both Speaker of the House Newt Gingrich (R-Ga.) and Senate Majority Leader Bob Dole (R-Kan.) have promised to pass such reforms this fall. Both plan to keep Congress in session until they achieve this goal.

Meanwhile, the CJF plans to continue to work on the survey. "This is a work in progress," Aviv said.

The CJF sent surveys to all 189 federations in the United States last spring. Although 59 communities responded, the results of the survey reflect only 45 communities, including all 17 large federations, due to incomplete information provided by some. □

Trial under way for wave of 10 letter bombs in Austria

By Gil Sedan

BONN (JTA) — Under strict security measures, a trial has begun in Vienna for the wave of letter bomb explosions that occurred in December 1993 in the Austrian capital.

Peter Binder and Franz Radl, suspected of carrying out the bombings, are the prominent Austrian extremists on trial as of last week. The two defendants, both 28, have been charged in connection with the following:

Within three days, 10 letter bombs were sent to various Austrian politicians and clergy, all of whom supported the integration of foreigners into the country's general population. Four of the bombs exploded, seriously injuring five people. One letter bomb reached Vienna's former mayor, Helmut Zilk, whose left hand was torn to pieces in the explosion.

Binder and Radl admitted to participation in neo-Nazi activities, but denied carrying out the letter bombings.

Binder and Radl are accused of belonging to the ultrarightist VAPO organization. If convicted, both men face up to 20 years imprisonment. □

Marathon peace talks persist with fate of D.C. signing unclear

By Naomi Segal

JERUSALEM (JTA) — Israel and the Palestinians held a marathon round of talks this week aimed at reaching an interim agreement on Palestinian self-rule in time for a signing ceremony in Washington.

But after three straight days of talks between Foreign Minister Shimon Peres and Palestine Liberation Organization leader Yasser Arafat at the Red Sea resort of Taba, it remained unclear Monday whether Thursday's target date would be met.

Nonetheless, reports from Washington said the Israeli Embassy there was still making preparations for a possible signing ceremony.

The White House, preparing for the possibility that the signing would have to be deferred, said Monday that it would not consider it a setback if the two sides were not ready to sign by Thursday.

Although progress was made at Taba on such issues as water rights in the West Bank and the Palestinian elections, differences over control over the West Bank town of Hebron prevented the two sides from reaching an agreement.

On issues surrounding the elections, Israel reportedly agreed for the first time that 82 elected Palestinian representatives would serve in a body that would have legislative and executive powers.

Israel had previously insisted that the elected body have only 32 members serving in an administrative body that did not resemble a national government.

Israel also reportedly agreed for the first time to let Arab residents of eastern Jerusalem participate in the elections.

Among the issues still to be resolved at Taba are control over electricity in the West Bank and the release of Palestinian prisoners.

'No agreement without Hebron'

However, the chief dispute revolves around Hebron.

"There were many important problems that have been solved," Peres told reporters during a break in the talks Monday.

"On Hebron, we are still considering the best solution."

In an effort to overcome the differences, Israel softened its position, saying that it was ready to cede most control over security in Hebron to the Palestinians, except in the areas of Jewish settlements.

But the Palestinian side, despite accepting a gradual Israel troop withdrawal in Hebron, ultimately wants the withdrawal to be complete.

It also wants Israel to acknowledge that Hebron — along with the six other West Bank cities that will come under self-rule under the terms of the interim agreement — is a Palestinian city.

"It is impossible to reach an agreement without Hebron," Palestinian Authority official Nabil Sha'ath told reporters.

"It is part and parcel of the rest of the West Bank."

The Israel daily Ha'aretz reported that the Israeli proposal called for dividing Hebron into three areas.

One area would be under complete Israeli control; another area would be under the administrative authority of the Palestinians, but would have security in the hands of Israel; and a third area would be under sole Palestinian control.

In addition, the Israeli proposal called for a bypass

road to be built that would link the Jewish settlements in the area.

But the Palestinians rejected the proposal and continued to hold out for terms granting the self-rule authority full sovereignty over Hebron.

Hebron Mayor Mustafa Natshe, who participated in the Taba talks this week, said signing an agreement would depend on the removal of the 400 Jewish settlers living in Hebron.

Meanwhile, Israel Radio reported that American officials visited Hebron on Monday to get a first-hand view of the situation there.

The visit came as Palestinians moved a number of municipal offices from the outskirts of the town to the center, in an ongoing effort to reassert their presence in the city.

In another related development, the Israeli human rights group B'Tselem issued a report calling for the removal of the Jewish settlers from Hebron.

B'Tselem officials said the presence of the settlers in Hebron was responsible for continuing human rights violations there, despite the Israeli security measures put into place after the February 1994 Hebron massacre.

"It is unfathomable that 400 Jewish settlers should dictate the lives of 120,000 Palestinians in Hebron," B'Tselem Director Yizhar Beer said at a news conference Monday in Jerusalem, where he presented the findings.

"Until now, we did not openly call for the removal of settlements," he said.

"But it has become clear that the [negative effects] of removing the settlers is nothing compared to what would happen if they remained."

Beer maintained that the report, which reflected the group's first public stand against Jewish settlements, was not political, but based on the assessment of their research instead.

According to the report, 26 Palestinians were killed by Israeli security forces since the Hebron massacre, when 29 Muslim worshippers were shot dead by a Jewish settler from Kiryat Arba.

The report, titled "Impossible Coexistence," also noted that freedom of movement was significantly restricted for local Palestinians by Israeli roadblocks, checkpoints and curfews.

Violent house searches and harassment by Israeli security forces were also routine, the report claimed.

The authors also noted that Israeli security forces were lenient when dealing with infractions by Jewish settlers.

Settler leaders denounced the report, calling it a purely political statement that completely ignored human rights violations inflicted upon the Jewish residents of Hebron. □

Israeli stabbed in Old City

By Naomi Segal

JERUSALEM (JTA) — An Israeli was seriously wounded in a stabbing attack in Jerusalem's Old City.

Witnesses reported that an argument broke out between Avraham Yasdi, 40, and two young Arab men.

The two Arabs fled after Yasdi was stabbed.

Police detained dozens of Arabs in connection to the stabbing.

The victim reportedly is a known substance abuser and police are not ruling out criminal motives in the attack. Police also said they have not ruled out the possibility that it was a terrorist act.

Yasdi was taken to Hadassah Hospital in Ein Kerem, where he was listed in critical condition and underwent emergency surgery. □

Jewish groups weigh response to Nation of Islam march on D.C.

By Daniel Kurtzman

WASHINGTON (JTA) — Less than one month before the Nation of Islam's planned "Million Man March" on Washington, Jewish leaders are struggling to come up with an appropriate response.

Concerned that the event could legitimize Nation of Islam leader Louis Farrakhan, Jewish leaders say they feel a responsibility to voice their objections to the march.

At the same time, they are finding it hard to denounce the event when they essentially support its goals.

"It's a situation full of potential pitfalls," said Stephen Steinlight, director of national affairs for the American Jewish Committee. "It's going to require all of the wisdom we can muster."

Farrakhan has declared Oct. 16 a national "day of atonement," borrowing from the Jewish holy day of Yom Kippur. He is calling on African American men to "straighten their backs," take more responsibility for their communities and commit themselves to a restoration of values.

In addition to marching on the nation's capital, he is asking African Americans across the country to stay away from jobs, shopping malls and schools as part of an economic boycott.

Although acknowledging that the event "in itself presents a laudable goal which all Americans of conscience can support," Abraham Foxman, national director of the Anti-Defamation League, said it simultaneously "holds the potential for advancing the influence of one of America's most vocal hatemongers and anti-Semites."

"We think people of good will who are opposed to bigotry should not march with a bigot," Foxman said.

But he added that no one should infringe on African Americans' right to choose their own leaders and chart their own political course.

'Banner of divisiveness or harmony?'

In weighing a response, Jewish leaders say they must also remain sensitive to the potential strain an antagonistic stance could put on black-Jewish relations.

"It's a highly complex problem of community relations," said Phil Baum, executive director of the American Jewish Congress. "We're trying to do our best to maintain Jewish dignity and self-assertiveness without at the same time contributing" to misunderstanding and antipathy between blacks and Jews, he said.

Foxman said the Jewish community "genuinely desires" an improvement in African Americans' quality of life, but he added, "We can and must ask under what banner will African Americans be more likely to succeed — the banner of divisiveness and hate, or of harmony and tolerance?"

In coordinating strategy, said Baum, Jewish leaders are adhering to the adage "above all, do no harm."

"Part of our concern is that we don't want to do anything to elevate Farrakhan," Baum said. "The wisest course might be to do nothing."

Support for the march comes from a number of community leaders, though major national black groups such as the National Association for the Advancement of Colored People and the Urban League have not expressed support.

Among the march's supporters is Philadelphia Mayor Edward Rendell, who is Jewish. Although he has not endorsed the march, Rendell said he supports the goals of the event, downplaying Farrakhan's sponsorship.

His position has been sharply criticized by some segments of the Philadelphia Jewish community, who say

support for the march and support for Farrakhan are inseparable.

People familiar with the event say it could draw more people than the famed 1963 March on Washington, which brought out 250,000 to demonstrate for civil rights.

One of the Nation of Islam's most vocal critics in Congress, Rep. Peter King (R-N.Y.), said African Americans should question the wisdom of heeding Farrakhan's call to action. "Anyone who skips school or work to allow themselves to be used by a bigot should really think twice about that," King said through a spokesman.

Indicative of the apprehension surrounding the event, leaders of Washington's Jewish community say they have been discussing security issues. "We expect and hope that it will be a peaceful march, which is certainly its avowed intention, but we certainly want to be prepared and want to make sure that our synagogues and people are safe and protected," said Peter Krauser, president of the Jewish Community Council of Greater Washington.

Tensions between Jews and the Nation of Islam recently flared in Washington when the two Jewish members of Mayor Marion Barry's religious advisory committee resigned after a representative of the Nation of Islam was invited to attend meetings.

"Inviting the Nation of Islam to sit on the mayor's advisory committee is essentially granting them a badge of legitimacy that they do not deserve," said Jeff Weintraub, who, with Rabbi Ethan Seidel, resigned from the commission.

"This is an indecent group that is being invited into a decent society," he said. "I do not by my presence want to give my sanction to a group of that nature."

The Rev. Terry Wingate, director of Barry's Office of Religious Affairs, said he was "pained" by the resignations. The committee is reportedly considering establishing a code of conduct that would deal with issues of tolerance and mutual respect.

Regarding the march, Jewish organizations said they would continue to coordinate strategy in coming weeks and would also seek advice in private meetings with African American leaders "whose opinions we value and trust," Steinlight of the American Jewish Committee said. He declined to say with whom they are meeting. □

Man accused of 1 arson attack on twice-targeted Lubeck shul

By Gil Sedan

BONN (JTA) — German officials have arrested a suspect in the May arson attack on the synagogue in the northern city of Lubeck.

Officials said the 27-year-old man, whom they described as retarded, had torched the shul because he is a pyromaniac. Police ruled out anti-Semitic motives.

The arson attempt took place May 7 — the day of worldwide commemorations marking the defeat of the Nazis in World War II — when a fire was set near a side entrance to the synagogue. An extension to the synagogue was destroyed in the blaze. Nobody was injured, though there were people in the building at the time.

The incident prompted some 2,000 demonstrators to gather spontaneously in Lubeck to protest the attack.

The synagogue was also the target of an arson attack in March 1994, in what was the first firebombing of a Jewish house of worship since the days of the Third Reich. Four men between the ages of 19 and 24, all of whom belonged to extreme right-wing groups, were convicted of premeditated arson in that incident, which had caused considerable damage to the synagogue.

They were given sentences ranging from 30 months to 4½ years in jail. □