



## NEWS AT A GLANCE

■ An agreement reached with the American Jewish Joint Distribution Committee gave a boost to a controversial plan to merge American Jewry's central fund-raising organizations. The plan's authors hope that it will be implemented by Jan. 1, 1997. [Page 3]

■ The U.S. Department of Defense repudiated a memo it sent to government contractors warning that "strong ethnic ties" to American Jews allow Israel to steal military and industrial secrets. But the Anti-Defamation League and a Jewish member of Congress said the Pentagon's response was not satisfactory and called for an investigation. [Page 2]

■ The American Jewish Congress hailed a U.S. Court of Appeals decision that declared the Religious Freedom and Restoration Act constitutional. A District Court in Texas had ruled unconstitutional the measure that requires the government to prove a compelling interest in limiting religious observances.

■ Jewish community relations activists are concerned that the controversy over Israeli Ethiopian blood donations may hurt black-Jewish relations in the United States. "This obviously is a public relations nightmare," said one national agency official. [Page 4]

■ An Israel Defense Force soldier died in a stabbing attack by a Hamas activist at the Israeli-Palestinian liaison offices near the West Bank town of Jenin. Israel called on the Palestinian Authority to take stronger action to crack down on Hamas and other militant groups.

■ Former Republican presidential hopeful Sen. Arlen Specter of Pennsylvania has endorsed Sen. Bob Dole (R-Kan.) in the race for U.S. president. Specter, who is Jewish, had campaigned on a platform against the Christian Coalition, which has also embraced Dole.

■ Chinese police closed a Beijing business that reportedly was selling replicas of Nazi swastika medals and other Third Reich memorabilia. German diplomats in China said Nazi revivalism was virtually unheard of in that country.

## NEWS ANALYSIS

### Secret talks fuel speculation on status of capital of Israel

By David Landau

JERUSALEM (JTA) — Palestinian leader Yasser Arafat recently confirmed in an interview in Gaza with the Jewish Telegraphic Agency that Israelis and Palestinians have been holding unofficial discussions about the future of Jerusalem.

The confirmation was potentially embarrassing for the government of Prime Minister Shimon Peres of Labor, because it could supply useful ammunition for the opposition.

Likud Party leader Benjamin Netanyahu intends to make Jerusalem a central issue in the upcoming Knesset election campaign.

Arafat was short on detail, but the unofficial talks are understood to involve, on the Israeli side, political scientists Yair Hirshfeld and Ron Pundak.

Under the direction of then-Deputy Foreign Minister Yossi Beilin, they discreetly launched what later evolved into the Oslo process, the Israeli negotiations with the Palestine Liberation Organization that produced the Declaration of Principles signed in 1993.

Opposition sources have maintained for some time that contacts on Jerusalem are taking place, while Beilin, now a minister without portfolio in the Prime Minister's Office, has made do with perfunctory details.

Under the Declaration of Principles, discussions on both Israeli settlements and Jerusalem — two of the toughest disputed areas — were postponed until the permanent-status negotiations, due to begin in May.

The Likud and its allies contend that the informal talks blatantly contravene that provision and that they reflect the government's softening position on Jerusalem.

That Palestinians who live in Jerusalem were allowed to vote in the Palestinian elections, some of them in post offices inside the city limits, is cited by the opposition as evidence of the government's steady retreat.

But in speeches before two American Jewish groups in Jerusalem this week, Peres insisted that there is no weakening in the government's position.

Jerusalem, he said, is not negotiable as the exclusive capital of Israel.

He accused the Likud of seeking to artificially puncture the national consensus about Jerusalem.

Although Likud indicated this week that it may be prepared to reconsider its stance on the Palestinian Authority by recognizing the self-rule areas under Arafat's leadership, no shift is being contemplated on Jerusalem.

### An imaginative compromise on Jerusalem

Netanyahu pledged this week in unequivocal terms that if he is elected prime minister, he would immediately shut down Orient House, the de facto Palestinian headquarters in eastern Jerusalem where, much to the chagrin of the Israeli government, diplomatic as well as social and administrative activities take place.

Visiting foreign dignitaries often make a point of visiting Orient House, deliberately defying Israel's demands that they refrain from doing so.

This situation developed even before the first accord between the Jewish state and the Palestine Liberation Organization, initially occurring under the previous Likud-led government of Yitzhak Shamir.

Netanyahu argues that the creation of the Palestinian Authority makes it all the more necessary for Israel to put a stop now to the evolution of a Palestinian government facility in the heart of the Israeli capital.

Although Labor's public rhetoric is as strong as Likud's when it comes to maintaining the current status of Jerusalem, within Labor's ranks there is a greater readiness to consider creative solutions.

Some circles in Labor even take issue — so far, privately — with the widely held theory that Jerusalem is the single most intractable part of the Israeli-Palestinian conflict — and must therefore be left for last, for fear of exploding the entire peace process if it is introduced prematurely.

In these circles, it is instead felt that an imaginative compromise on Jerusalem could tie together a string of compromises on other seemingly insoluble problems, including the settlements.

With Israel's demographic predominance in the city not in question — more than two-thirds of the residents of municipal Jerusalem, as delineated under Israeli law, are Jews — these circles believe that some form of "Vaticanization" for the Palestinians can be contemplated without danger.

They believe that the Palestinians themselves do not realistically expect to obtain sovereignty over large areas of the city and that they ultimately would accept a Vatican-type proposal that would satisfy the symbolic and religious aspects of their demands concerning Jerusalem.

In return, it is argued in these circles, the Palestinians might be prepared to trade heavily settled Jewish areas in the West Bank for territories alongside the Gaza Strip.

It is no accident, in the view of seasoned observers here, that it is the same Beilin, reportedly running a vicarious dialogue with the Palestinians about Jerusalem, who repeatedly declares that the final-status negotiations must allow most Jewish settlers to stay in their present homes.

The question, though, that those in dovish circles within the Peres government are asking is whether on the eve of the election campaign the time is right to go public with such radical thinking.

The Likud and its allies will be eager to draw Labor into an emotional battle over Jerusalem, confident that most voters are not prepared to countenance any concession to the Palestinians in the city.

It was against this backdrop that the opposition parties accused the government of selling out the status of the capital during the Palestinian elections.

While the government insisted that candidates running for the Palestinian Council not be Jerusalem residents — a demand easily satisfied by such candidates producing second addresses outside the city limits — it did allow eastern Jerusalem residents to vote. And while most voted in polling stations outside the municipal area, several thousand were eligible to vote in Jerusalem post offices.

Less than 30 percent of those eligible actually availed themselves of this right, which, paradoxically, the Likud seized on as proof of the Palestinian Authority's "failure in Jerusalem."

For its part, the government maintained that a prominent police presence at the polling stations in Jerusalem had not frightened or deterred the Palestinian voters.

But many observers — both foreign and Israeli — took issue with this version of the day's events. They felt that the government had in fact deliberately beefed up police presence to scare off Palestinian voters.

Indeed, the government, too, seemed gratified at the Palestinian Authority's failure to get the vote out in Jerusalem.

Clearly, there is much political soul-searching yet to be done in the Labor camp before a credible, consistent and authoritative position on Jerusalem is put on the negotiating table in the permanent-status talks. □

## Defense Department repudiates memo challenging Jewish loyalty

By Matthew Dorf

WASHINGTON (JTA) — Stung by criticism from the Anti-Defamation League, the U.S. Department of Defense has repudiated a memo by its security agency warning government contractors that "strong ethnic ties" to American Jews allow Israel to steal military and industrial secrets "aggressively."

A low-level field official in upstate New York issued a confidential memo to defense contractors in October putting them on alert for Israeli espionage.

"The strong ethnic ties to Israel present in the

U.S., coupled with aggressive and extremely competent intelligence personnel, has resulted in a very productive collection effort," the three-page memo states.

After the memo's existence was first reported in the February issue of the Jewish monthly magazine *Moment*, the Defense Department went public with its disdain for the memo.

"I want to stress that the content of this document does not reflect the official position of the Department of Defense," Assistant Secretary of Defense Emmett Paige Jr. wrote to Abraham Foxman, the ADL's national director.

"While we object to the document in general, singling out ethnicity as a matter of counterintelligence vulnerability is particularly repugnant to the department," he wrote.

The department stopped distribution of the memo in December and, as a result of the public outcry, has "canceled" the memo.

In a letter to the department, Foxman had chastised it for singling out Israel and its strong ethnic ties in the United States.

"This is a distressing charge which impugns American Jews and borders on anti-Semitism," Foxman wrote. "In addition, we are disturbed by the general tenor of the memorandum considering the fact that Israel is America's longtime ally, considering the fact that only five years ago Israel refrained from taking military steps against Iraq despite Scud missile attacks because its U.S. ally asked for restraint."

Foxman called the department's response "the beginning, but not the answer."

"To issue a blip that the memo was canceled doesn't mean anything" unless there is a new memo sent detailing the department's policy, Foxman said.

### ADL sends second letter

In a second letter Foxman sent on Tuesday, the ADL reiterated its request for an internal investigation into the matter.

Rep. Nita Lowey (D-N.Y.), who is Jewish, added her voice to those calling for an investigation.

In a letter to Secretary of Defense William Perry, Lowey wrote: "I deeply resent the implication that American Jews would commit treason against their nation because of their Jewish heritage."

For their part, the department has "instructed appropriate personnel that similar documents will not be produced in the future," Paige wrote.

The memo labeled Israel a "nontraditional adversary" and warned contractors that "Israelis have a voracious appetite for information on intentions and capabilities relating to proliferation topics, i.e., nuclear, chemical and biological weapons."

The memo cited the case of Jonathan Pollard, a former U.S. Navy intelligence analyst serving a life sentence for spying for Israel, as a prime example of the danger faced by government contractors.

Pollard, who is Jewish, cited his loyalty to Israel as a reason for his espionage work.

"Pollard conveyed vast quantities of classified information to Israel for ideological reasons and personal financial gain," the memo stated.

Other incidents alleged include a 1986 theft of proprietary information from Chicago-based Recon Optical Inc., for which Israel paid \$3 million in damages in 1993, according to the memo.

The memo ended with an oft-cited charge that Israel gave China U.S. technology for the Communist regime's fighter plane program.

The United States has never proven the charge, which Israel vehemently denies. □

## Merger plan clears hurdle, picking up support from JDC

By Cynthia Mann

NEW YORK (JTA) — A controversial plan to merge the central fund-raising organizations of American Jewry survived an important test this week in Florida.

And an agreement reached with one of the key players, the American Jewish Joint Distribution Committee, clearly has bolstered the prospects that the plan will become a reality.

The plan's authors are now slated to begin consultations with local Jewish federations across the nation to win support.

They would like the plan to be implemented by Jan. 1 of next year.

The consultations are important because they could lead to the biggest change in the American Jewish fund-raising world since the United Jewish Appeal was founded nearly 60 years ago.

Federation leaders met early this week in Fort Lauderdale, where, for the first time, they heard details of the proposed plan to merge their association, the Council of Jewish Federations, with the UJA and the United Israel Appeal.

The plan could have been derailed by intense opposition to its call for federations to guarantee a minimum allocation to overseas programs.

While there was no consensus on the guarantee, at least eight major federations voiced support for the merger in principle, according to Joel Tauber, president of the UJA and co-chairman of the committee that proposed the restructuring plan.

Tauber said he was encouraged by the "general consensus on the need for a new entity and the benefits to be derived" from it for federations and the needs of the Jewish people.

But he conceded that there is a long road ahead. "We don't feel we're at the end of the battle, we're at the beginning," he said. Federations are "beginning to understand why we need the floor, and they want time to think about it."

The federations, in concert with the UJA, raise more than \$700 million annually, which is funneled to programs at home as well as to projects and services in Israel and around the world.

But campaigns have been flat and a CJF-UJA committee has been working for roughly two years to find ways to generate more revenue and make the system more efficient and accountable.

The challenge has been to satisfy all beneficiaries of the campaign that they will get their fair share under the new structure.

### Fears of lower allocations

The current structure allows for each federation to decide how much money it wants to keep at home and how much it wants to distribute overseas.

The overseas portion is given to the UJA, which distributes the money to the UJA and to the Joint Distribution Committee.

The UJA money goes to the Jewish Agency for Israel, which, among other things, helps Jews immigrate to Israel. The JDC provides humanitarian aid to Jews around the world.

In recent years, federations' overseas allocations have been declining.

The UJA and JDC feared that the merger would only exacerbate that trend unless safeguards were put in place in both the funding mechanism and the governing structure.

To assuage their fears, members of the restructuring committee proposed a three-year floor of \$310 million a year in overseas funding, telling federations point-blank that the UJA and JDC "would not vote to end the UJA as we know it without transitional guarantees."

UJA leaders had already thrown their support behind the plan, but the JDC backing was secured only this week, on the assumption that a funding floor will be part of the plan.

The agreement does not specify the amount of the floor, however, Tauber said.

The agreement provides for the UJA and JDC to negotiate the division of overseas funding for the period that the guaranteed floor is in effect.

What they agree on will be effective as of January 1997.

After the floor expires — from the years 2000 to 2004 — the JDC will have 40 percent representation on the entity that determines the division of overseas funds.

The UJA's successor, which will be the new consolidated entity, will also have 40 percent, while the remaining 20 percent will have representatives of local federations.

Seymour Reich, president of the American Zionist Movement, said he is disturbed by the plan, because he fears that "the Israel portion will be lost in the potpourri" of competing needs.

He said a proposed floor does not ease his concern because "it's not written in stone" and "I just don't think they can deliver."

But Charles "Corky" Goodman, chairman of the Jewish Agency's Board of Governors, believes that the merger will stem the decline in federation allocations to Israel.

Goodman, who is also a co-chairman of the restructuring committee, maintains that the whole purpose of the consolidation is to generate more revenue to meet escalating demands at home, in Israel and elsewhere overseas. □

## Health minister orders halt to disposing blood donations

By Naomi Segal

JERUSALEM (JTA) — In the wake of the furor over Ethiopian blood donations, Israeli Health Minister Dr. Ephraim Sneh ordered that all blood donations from Ethiopians be frozen until the policy is reviewed.

In addition, Prime Minister Shimon Peres appointed former President Yitzhak Navon to head a committee to investigate grievances by Israel's Ethiopian community.

Last week, an Israeli newspaper reported that the country's blood bank had a policy to destroy donations from Ethiopian immigrants for fear that they were contaminated with HIV, the virus that causes AIDS.

The Ethiopian community has labeled Israel's policy racist.

The committee was formed after Sunday's violent demonstration in Jerusalem by Ethiopians over the policy.

The intense debate about the blood donations has brought to a head longstanding complaints by the community about absorption and the general population's lack of sensitivity.

Peres said the new committee would examine three issues affecting the Ethiopian community, including education, the rate of suicide by Ethiopians serving in the Israel Defense Force and the blood bank's policy.

The Ethiopian immigrant community has a higher incidence of AIDS than the general Israeli population, according to the Health Ministry. □

## Ethiopian Israeli blood dispute may hurt U.S. black-Jewish ties

By Debra Nussbaum Cohen

NEW YORK (JTA) — Televised scenes of Israeli police aiming powerful water cannons and lobbing tear gas canisters at angry Ethiopian Jewish protesters have led to some concern about the debacle's possible impact on black-Jewish relations in the United States.

Police clashed with some 10,000 Ethiopian immigrants who were demonstrating Sunday in Jerusalem.

They were protesting because of recent reports that Magen David Adom, which operates the country's nationwide blood bank, routinely discards blood donated by Ethiopian olim out of fear that the blood is contaminated with HIV, the virus that causes AIDS.

"So much of the African American press has been very negative on Israel, and this gives ammunition to those who have incorrectly said Israel is racist," said a Jewish community relations expert in New York.

"Though this mess isn't racist at all, but a misguided effort to prevent the Ethiopians from being stigmatized, it was foolish," she said.

"I am so afraid that the African American press will pick up on this to the great detriment of relations" between the two communities, she said.

"We're so glad to be able to say to African Americans, 'Look at the Ethiopian Jews, they are totally accepted,' and this hurts, this really hurts," said the expert, who asked that her name not be used.

Burt Siegel, associate director of the Jewish Community Relations Council of Greater Philadelphia and a veteran activist in black-Jewish relations, said he did not hear the issue discussed much on black talk radio.

"One caller made reference to the fact that Israel has demonstrated what a racist country it really is, but the host didn't pick up on it," Siegel said.

"But I think that's temporary. Those in the African American community who have animus towards Israel and the Jewish community will use this as an opportunity," he said.

"It's still early. Nothing's happening yet, but I'm afraid it will."

Community relations experts across the country shared Siegel's trepidation.

Referring to the television news coverage of the melee in Jerusalem, one Midwest Jewish federation professional said, "There is some concern about how it will impact efforts with the African American community."

### 'Mistake to translate color issues'

Rabbi David Saperstein, director of the Reform movement's Religious Action Center, called the policy of discarding the blood donations "highly discriminatory."

Saperstein also is a member of the board of directors of the National Association for the Advancement of Colored People.

"This news is utterly incomprehensible and intolerable on various grounds," Saperstein said in a statement.

In an interview, Saperstein said the crisis "requires a real effort by the Jewish community to provide the overall context to these issues to the black community so that they understand the enormous investment Israel is making" in the absorption of Ethiopian Jews.

"It's a mistake to translate the way we think about issues of color in the U.S. to Israel," Saperstein said.

"There is a much greater sense of common peoplehood in Israel, a much greater support for addressing problems of discrimination and far more assertive affirma-

tive action programs than we've ever had in the U.S., to help both Sephardic and Ethiopian Jews."

"Rather than bring blacks over in slavery, Israel brought a sizable black community in with open arms and love and commitment," he said.

Saperstein's organization, in cooperation with the Israeli government, held its annual Civil Rights Leadership Awards ceremony at the Israeli Embassy on Monday in Washington.

Rep. Kweisi Mfume (D-Md.), who was one of two people to receive the award this year, tried to head off concerns about the crisis' impact on black-Jewish relations here.

"We must not allow the wonderful dream of religious reunification in any way to turn into a bitter nightmare of discrimination, either real or imagined," said Mfume at the beginning of his acceptance speech.

Most of the community relations experts and advocates for the Ethiopian Jewish community interviewed said the original intent of the blood bank's policy in Israel was probably good because Ethiopians were not publicly singled out as a health risk.

According to Israel's Health Ministry, Ethiopians are 50 times more likely to be HIV carriers than other Israelis.

Health Minister Dr. Ephraim Sneh announced Tuesday that all blood donated by Ethiopians would be kept frozen until the committee appointed Sunday by Prime Minister Shimon Peres completes its inquiry.

In the United States, blood donors are screened based on their behavior, not on the basis of race or sexual orientation, according to sources from the American Red Cross.

For several years, the U.S. government banned blood donations from Haitian and some African immigrants.

However, the bans were lifted once reliable tests to detect HIV in blood were developed.

In the United States, potential donors fill out a detailed questionnaire about their health, history of sexual activity and travel experiences.

Then, donors are interviewed and at several points along the way — even after the blood is drawn — donors have the opportunity to withdraw.

### 'Blood needed due to terrorism'

The blood is then tested to determine whether it is contaminated with any one of seven different infectious diseases, including two strains of HIV.

The same measures, however, are apparently not taken in Israel, sources said.

Abraham Foxman, national director of the Anti-Defamation League, in a letter to Sneh, urged Israel to adopt American testing methods.

"Because Israel needs quick turnaround in the blood supply, due to terrorism, they can't hold the blood for the requisite amount of time to make sure it is free of HIV," said Martin Raffel, associate executive vice chairman of the National Jewish Community Relations Advisory Council.

On Monday, Raffel organized a conference call for representatives of national Jewish organizations and community relations councils across the country to discuss their concerns about the potential fallout of the incident here.

"This is obviously a public relations nightmare," Raffel said.

"Some might try to project this as a matter of racism or discrimination in Israel without any basis. We want to avoid that perception, which is a faulty one, from being entrenched." □