



NEWS AT A GLANCE

■ The Knesset overwhelmingly endorsed the Hebron agreement in a 87-17 vote, with one abstention. Israel Defense Force troops made final preparations to redeploy from 80 percent of the West Bank town. [Page 3]

■ Four former Communist security officials will be charged with failing to act during a 1946 anti-Semitic riot in which 42 Jews were killed, Poland's justice minister said. Prosecutors will file charges after a commission investigating the riot in the town of Kielce completes its work.

■ Representatives of Jewish groups will meet privately with the Rev. Joan Brown Campbell, general secretary of the National Council of Churches, to air their unhappiness over her backing of a call by Churches for Middle East Peace for shared Israeli-Palestinian control over Jerusalem. The National Council is the major umbrella organization representing Protestant and Orthodox Christians in the United States.

■ The Bank of Israel announced that the International Monetary Fund decided to add the Jewish state to its list of industrialized nations. The IMF said the move was made in light of ongoing economic changes in Israel.

■ The governor of St. Petersburg, Vladimir Yakovlev, told Jewish groups in New York that his city boasts strong economic development and is planning to send an official delegation to Israel later this year to foster economic ties. Yakovlev also said there is no discrimination against Jews in his city.

■ A Wisconsin state judge struck down Gov. Tommy Thompson's plan to use public money to send poor Milwaukee children to religious schools. The plan violates a provision in the state constitution preventing tax money from being used for religious purposes, the judge ruled.

BEHIND THE HEADLINES

Jewish purchase of Arab lands could trigger IRS investigation

By Cynthia Mann

NEW YORK (JTA) — U.S.-based charities raising money to purchase Arab-owned land in Israel's disputed areas could be scrutinized for possible violations of U.S. tax laws.

Critics of these purchases charge that they are a political and provocative act by those who seek to change the facts on the ground and sabotage the peace process.

They say such ideological activity cannot legally be financed with the help of U.S. dollars, through charitable tax exemptions and deductions.

Both a current and former official with the Internal Revenue Service said publicity of the issue, such as a recent segment on the CBS "60 Minutes" program, could trigger an audit by federal tax authorities.

But the results of such an audit are far from certain.

Tax experts say determining whether organizations are violating their tax-exempt status is highly subjective and rendered on a case-by-case basis. They say the complexity stems in part from IRS guidelines that are highly nuanced.

The charities in question, such as Ateret Cohanim, defend their tax-exempt status as legitimate, saying that their mission is humanitarian or educational.

They say any related property acquisition fulfills the religious and Zionist call to redeem the Land of Israel and that it is anti-Semitic to restrict Jews from living in certain places, Israel most of all.

Some add that by helping settlers, they are filling gaps caused by the United Jewish Appeal's policy of not allocating funds over the Green Line, or beyond Israel's pre-1967 borders.

That UJA policy evolved in part in deference to the political sensitivity of the U.S. government, which provides grants to the UJA's system for refugee rescue and resettlement.

The ideological back and forth over the purchases by the charities could continue without resolution, but for one claim by the critics: that the charities' tax-exempt status is illegal if their *raison d'être* is primarily political and ideological. And these critics say they are intent on calling it to the attention of U.S. tax authorities.

A tax-exempt, or 501(c)3 status, prohibits a U.S. organization from engaging in "substantial" lobbying or trying to influence the outcome of an election in the United States.

But the parameters of permissible political activity supported abroad is more murky, especially if it can be argued that such activity is for educational or religious purposes, some tax experts say.

What is clear is that the imbroglio could have an impact beyond the organizations directly involved.

Publicity could have broader impact

One official from a mainstream Jewish philanthropy, who requested anonymity, termed all the publicity surrounding the issue "unhelpful."

It "puts pressure on U.S. bureaucrats" to look at the fund-raising activity for Israel "and it won't be satisfied looking at one organization," he said. "It gives the impression others are doing things beyond the guidelines."

Sheldon Cohen, a Washington, D.C., attorney and a former commissioner of the IRS, reinforced the notion that the publicity could have a broader impact.

"Many Jewish charities here seem to feel anything they do to benefit the State of Israel is charity, but it isn't so," he said. "The State of Israel is a foreign country and they have to meet all the criteria here" to be tax-exempt.

The "60 Minutes" broadcast focused on the wealthy Miami philanthropist, Dr. Irving Moskowitz, and his projects in eastern Jerusalem it said were aimed at ensuring Jewish control over all Jerusalem.

The money brought in by people like Moskowitz, often through U.S. charities, "is like fuel added on the fire that is threatening to engulf the entire city of Jerusalem," Meron Benvenisti, a former Jerusalem deputy mayor, said

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on the program. Similar purchases by private individuals and charities escalated in 1992 after an independent Israeli inquiry culminated in the issue of the Klugman Report. The report found that the previous government headed by Likud had funneled millions of dollars illegally to purchase property for Jews in eastern Jerusalem.

The highly publicized move by Cabinet Minister Ariel Sharon into the Muslim Quarter was part of this broader campaign in the mid-1980s to "recover" the area for the Jews.

When Labor took over, officials froze such funding.

Despite recent reports of private land purchases in Hebron by foreign Jews, it is eastern Jerusalem that has excited the most concern.

Today, the primary "ideologically motivated" player in Jerusalem real estate is Moskowitz, according to Danny Seidmann, the legal adviser for Ir Shalem, a Jerusalem development project of the dovish Peace Now organization.

One of Moskowitz's projects, a planned 130-unit Jewish housing complex in the Arab-populated section of eastern Jerusalem called Ras al Amud, recently has drawn much attention, even prompting emergency consultations by the United Nations Security Council.

The project is now deadlocked, Israeli sources say, because it is a political hot potato, especially for Jerusalem Mayor Ehud Olmert and Prime Minister Benjamin Netanyahu, who enjoy the backing of Moskowitz.

Moskowitz, much of whose money comes from a foundation in his name in California, is a major backer of Ateret Cohanim, a movement whose centerpiece is a yeshiva in the Muslim Quarter of Jerusalem's Old City.

The movement's expansion through the funding of its sister organization in the United States, Friends of Ateret Cohanim, was highlighted in the "60 Minutes" program.

Moskowitz could not be reached for comment.

Dr. Joseph Frager, the president of the Friends organization in New York, said Ateret Cohanim is a "yeshiva like any other yeshiva."

He attacked the CBS program as "false, misleading and defamatory" and protested what he termed its "exaggerations or distortions."

"We believe in coexistence with the Arabs and always have had an excellent relationship" with the yeshiva's neighbors, he said.

Promotional material says much more

Frager said money raised in the United States is for educational purposes.

He said property purchases have been made solely to house the yeshiva's professors and 200 students and to provide other facilities that are integral to any academic campus.

But its promotional material says much more.

Ateret Cohanim's home page on its Web site says it is a "a national movement which aspires to renew and bolster the Jewish presence in the heart of Jerusalem, which was eradicated by Arab riots in the 1930s."

"The pioneering spirit is still alive once again in the eternal capital of the Jewish people as stone by stone, house by house, the Old City is restored to her rightful owners."

The Old City refers to the historically walled part of Jerusalem that was and remains divided into four quarters: Jewish, Muslim, Armenian and Christian.

The home page also says Ateret Cohanim has a waiting list of "some 300 families seeking to relocate to the Old City."

And then it outlines its strategy: "Ateret Cohanim

yeshiva students move into the dwelling temporarily, and renovations are begun until prepared for yet another Jewish family to become part of the growing community of the Kotel Quarter," using the Hebrew term for the Temple's Western Wall to refer to the Muslim Quarter.

The solicitation calls for donations not for education but so "we can continue our important work of reclaiming the Old City on behalf of the Jewish people."

Frager, in an interview, defended his organization's rights and practices.

"Jews should be allowed to live anywhere in the Land of Israel just as they live anywhere in America," he said.

"To lose sight of this" is "not only anti-Zionist, but anti-Jewish."

But Cohen, the former IRS commissioner, said charities do not have the right to enjoy tax-exempt status if they purchase land for "ideological reasons."

"U.S. deductions should not be used," he said, "for the purpose of pushing Arabs out" of Jerusalem.

Based on the recent publicity, Cohen said the IRS probably would launch some sort of probe.

The IRS is prohibited from disclosing whether such an audit has been launched.

Bob Fontenrose, an IRS tax lawyer in the tax-exempt division, stressed in an interview that he was not addressing any specific case, but said: "One of the ways we find out about problems" is if "something gets prominent play" in the media.

He said any audit would seek to determine whether a charity is in compliance with its tax-exempt requirements by ascertaining whether "its primary purpose" is charitable. That includes a religious or educational aim.

But the issue is complicated. He said an educational purpose is largely understood as related to the "instruction of individuals."

Helping individuals who are not low-income get housing may be more of a compensation issue than a charitable one.

At the same time, however, he said it may be argued that housing them in one area in "special circumstances" may serve a religious purpose.

'Headache' for the IRS

Such nuanced judgments would be a "headache" for the IRS, Fontenrose said.

James Zogby, president of the Arab American Institute, said he had joined with dovish Jewish groups to explore bringing what he termed the "evasive maneuvers" of these tax-exempt organizations to the attention of U.S. authorities for investigation.

Their purchase of "property in the Holy Land is not for religious reasons," he said.

"It is being done to deny Palestinians property rights and establish a provocative presence in the midst of Palestinian-populated areas to disrupt the peace process," said Zogby.

But Yechiel Leiter, the chairman of the tax-exempt U.S.-based One Israel Fund, which raises money for humanitarian causes in the territories, said that if he were one of the critics, he would be "reluctant to go to court for fear of opening a Pandora's Box."

Leiter, who lives in the West Bank settlement of Eli, said it could lead to close scrutiny of left-wing organizations, such as Americans for Peace Now, for the activity it sponsors in Israel, and some Arab-American charities that have been reported to be fronts for "political as well as terrorist activity."

Americans for Peace Now, for its part, said the money it raises in the United States goes only to Peace Now's educational fund. □

Knesset overwhelmingly backs accord on handing over Hebron

By Naomi Segal

JERUSALEM (JTA) — The final pieces of the Israeli handover of most of Hebron to Palestinian rule fell into place this week as the Knesset overwhelmingly approved the accord and the Israel Defense Force made preparations to carry out its redeployment.

In a vote of 87-17, with one abstention, the Knesset adopted a resolution Thursday, endorsing the agreement.

Thanking the Knesset after the vote, Prime Minister Benjamin Netanyahu said, "I hope in the future, during this government's term, to bring complete peace agreements with the Palestinians and perhaps with Arab nations, in addition to the ones we have signed."

A day earlier, after a stormy 12-hour meeting, the Cabinet approved the agreement, with 11 ministers voting in favor and seven against.

One Cabinet member, Science Minister Ze'ev "Benny" Begin, resigned in protest.

The Knesset floor was also stormy prior to the vote, with heckling coming from both the right and left.

Addressing the Knesset plenum before the vote, Netanyahu said Israel had insisted on three main principles in negotiating the agreement: reciprocity in fulfilling the accord's terms; Israel's sole right to determine the extent of the further redeployments in the West Bank that are scheduled to follow the Hebron withdrawal; and the passage of time between each further redeployment in order to give Israel the chance to evaluate Palestinian compliance.

The 1995 Interim Agreement, which first addressed the Hebron redeployment, was "vague, general," Netanyahu said, adding that it had "holes which could lead to misunderstandings with the Palestinians."

"We did everything to minimize the risks," he added, "and I'm convinced it is a better, more secure agreement."

Following 'in the footsteps'

Speaking on behalf of the opposition, Labor Knesset member Ehud Barak, who is a frontrunner for his party's leadership, congratulated Netanyahu on following "in the footsteps of the late Prime Minister Yitzhak Rabin."

Barak promised the backing of the opposition if Netanyahu continued in this direction.

But Barak expressed concern that because Netanyahu was not the "engineer" of the peace train, he was not sure that the prime minister would be able to bring it to the next station.

Some of Netanyahu's sharpest critics came from within his own party.

Likud Knesset member Michael Kleiner said he thought that the Hebron accord weakened Israel's position in the long run.

"Negotiating a permanent agreement after essentially helping to set up a self-declared Palestinian state will be much more difficult," Kleiner said.

Prior to the debate, Knesset members were given copies of the Hebron accord, and the accompanying documents, which included the American "Note of Record" that summarizes a series of Israeli and Palestinian commitments, including the series of further West Bank redeployments.

The parliamentarians also received the letter of assurance Warren Christopher sent Netanyahu in which the outgoing secretary of state underscored the American commitment to Israel's security needs.

But a request by some Knesset members to see the letter Christopher sent to Palestinian Authority leader Yasser Arafat was turned down.

Danny Naveh, Cabinet secretary, said he was told by American officials that the prime minister would be briefed on its content, but that the letter itself was not addressed to Israel.

In Hebron, IDF troops made final preparations Thursday for a troop redeployment from 80 percent of the city.

Israeli civil administration officials met with their Palestinian counterparts to coordinate the transfer of 12 civilian powers.

Israeli and Palestinian security officials also held contacts Thursday to arrange the turnover. □

Clinton's gala inauguration to include several Jewish 'firsts'

By Matthew Dorf

WASHINGTON (JTA) — Many of the "firsts" surrounding President Clinton's inauguration next week are likely to take on special significance for Jewish visitors to the three-day celebrations.

For the first time in the history of inaugurations, a vendor will sell kosher food on the National Mall.

The Center City Cafe, which just opened in the newly renovated District of Columbia Jewish Community Center, will take its food down the road to serve bagels, lox and cream cheese as well as hummus and salad pita sandwiches during the parade Monday, after Clinton's swearing-in.

The cafe's booth will fall somewhere on the spectrum between the "Southern cuisine and California nouveau" promoted by planners. Officials were still trying to craft a kosher food option for the hors d'oeuvres served at the inaugural balls.

Another first will be the use of the U.S. Memorial Holocaust Museum as an official inaugural site. As part of the festivities, collectively called "An American Journey," speakers at the museum will present "Visions of the 21st Century."

As Elmo and musical acts such as Little Feat and Chaka Khan entertain a couple of blocks away, speakers such as Nobel laureate Elie Wiesel will discuss peace and security, racism and tolerance, and liberty and justice.

The inaugural committee will only stage programs at the museum Sunday.

Other pavilions will entertain for the entire week-end.

While planners are keeping the Sunday night gala program close to the vest, officials say musicians will use a segment about Ellis Island to launch a series of musical tributes to America's diversity.

For all the firsts, there will be one last.

The Clinton-Gore Jewish Leadership Council will hold its last hurrah Sunday morning to honor members of the administration.

The council is closing up shop because its purpose was to re-elect the president.

But its members will remain Clinton activists.

When all the dust is settled from the swearing-in ceremony and the smoke clears from the fireworks, the partying Monday night will begin at more than one dozen inaugural balls across Washington.

In addition to the Jewish Leadership Council and other Jewish Democratic contributors, the members of the Conference of Presidents of Major American Jewish Organizations — all of them received invitations — willing to fork over \$150 per person will dance in the same room as the president and first lady. □

FOCUS ON ISSUES**Study of black-Jewish relations hopes to shatter conflict 'myth'***By Daniel Kurtzman*

WASHINGTON (JTA) — Rabbi Marc Schneier believes that a prevailing myth has come to define relations between blacks and Jews in America.

The myth, he says, begins with the assertion that relations between the two communities have spiraled downward since the heyday of the civil rights movement. Racial tensions have reinforced that myth, prompting some to conclude that two communities once united in common cause have regrouped into separate camps.

Schneier, however, believes that alliance and cooperation are the true watchwords that best define the "State of the Union" between black and Jews.

That is the main point he hopes will be driven home in a new report released by the Foundation for Ethnic Understanding. The report offers the first annual chronicle of events affecting relations between the two communities.

The report, tracing events from December 1995 through December 1996 and released to coincide with Martin Luther King Jr. Day, points to ample evidence of tension and hostility between blacks and Jews. But it also refers to what Schneier describes as "an overwhelming movement toward alliance and common cause."

The report "shatters the myth that black-Jewish relations is only one of conflict," says Schneier, who is president of the New York-based foundation, which was created in 1989 to help promote racial reconciliation and understanding. He added, "Clearly we see many areas of cooperation throughout the United States — symposia, task forces, joint prayer services, study groups and conferences which filled last year's calendar almost daily. Hopefully, this is the basis for truth about where black-Jewish relations are headed today."

Not all observers of the black-Jewish relationship agreed with Schneier's assessment.

Murray Friedman, author of "What Went Wrong? The Creation and Collapse of the Black-Jewish Alliance," said, "A compendium of this kind has some merit." But he cautioned against painting a picture that is too sanguine.

He emphasized that conflict over divisive issues, such as race-based redistricting and affirmative action, will continue to exist alongside the memory of past alliances and "reservoirs of goodwill."

Lingering tensions

Schneier, who also chairs the World Jewish Congress' Commission on Intergroup Relations, began the survey 18 months ago with the help of a grant from the Righteous Persons Foundation created by Steven Spielberg.

In the face of lingering tensions between the two communities in the aftermath of the 1991 riots in Crown Heights and amid controversy surrounding the Louis Farrakhan-led Million Man March last year, Schneier sought to challenge prevailing views about a widening rift between blacks and Jews.

Believing that acts of cooperation often went unnoticed, Schneier wanted to put together an annual report to document areas in which blacks and Jews were moving toward greater alliance, as well as areas of conflict.

What has emerged, says Hugh Price, president of the National Urban League, is an "insightful compendium" that "documents the distance that has been traveled over the past year." In a statement included with the report, Price says the "roster of cooperative efforts" offers "evidence of forward progress and clues about how Americans of all races actually do get along." □

Under the heading cooperation, the study cites, for example, the Jewish community's widely publicized show of solidarity with the black community in response to the spate of church burnings last year.

But among the various events chronicled by the foundation were a number of incidents that did not receive as much public attention:

- In Boca Raton, Fla., on the eve of Martin Luther King Jr.'s birthday, blacks and Jews held a joint memorial service to honor King and slain Israeli Prime Minister Yitzhak Rabin.

- Blacks and Jews in Washington, D.C., gathered for a third straight year for a Passover seder, held "to commemorate freedom and emancipation from slavery."

- The American Jewish Committee and Howard University launched "Common Quest: The Magazine of Black-Jewish Relations" — a publication dedicated to illuminating conflicts between the two communities while at the same time identifying areas of cooperation in advancing a common agenda. "The number of voluntary encounters between Jewish and African-American agencies indicate a desire to repair whatever fissures have outcropped in their relations and to stand together in responding to national issues of common interest," the report said.

Meanwhile, in areas of conflict, the study pointed to several high-profile controversies, including:

- Inflamed tensions between blacks and Jews in the aftermath of a deadly arson attack in Harlem. In December 1995, a black man killed himself and seven employees of a Jewish-owned store when he set the store ablaze.

- The Supreme Court's ruling last June striking down race-based congressional districts as unconstitutional. "While black leaders have described the ruling in cataclysmic terms, Jewish groups have reacted cautiously, unsure how to weigh their support for the principle behind the ruling against concerns about inflaming tensions between blacks and Jews," the report said. It also said that from the Jewish perspective, the "negative side of the picture" mainly stemmed from the ongoing vitriol of Nation of Islam leader Louis Farrakhan and his lieutenants.

"American Jews see the Nation of Islam leader and his acolytes, and professors such as Leonard Jeffries of the City College of New York, as unmitigated purveyors of anti-Semitic bigotry," the report stated. "For their part, some African-American spokespersons perceive Jewish groups as overly concerned with Farrakhan, who, in any event, in their view, does not represent an attitude towards Jews held by the majority of the black population."

Ultimately, Schneier said he wants to prove that incidents of cooperation are outnumbering areas of conflict.

'Still one year away'

"As much as I believe in my heart that black-Jewish relations are moving toward cooperation and alliance as opposed to conflict, I'm still one year away from proving that," said Schneier, who this week was to be awarded the National Association for the Advancement of Colored People "Martin Luther King Jr. Measure of a Man Award." He added, "It's very difficult to quantify."

While this year's report stands as little more than a chronicle of events, Schneier hopes to use more scientific means, such as polling, to gauge sentiment among blacks and Jews for the foundation's next annual survey.

The foundation, meanwhile, plans to distribute 5,000 copies of its new report in coming weeks to black and Jewish organizations throughout the country, including the Congress of National Black Churches, the NAACP, the Urban League, National Jewish Community Relations Advisory Council, the Council of Jewish Federations, national rabbinic bodies, Jewish schools and the United Negro College Fund. □