



Daily News Bulletin

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84th Year

TOP NEWS IN BRIEF

Five IDF soldiers die in accident

Five Israeli soldiers died when their armored personnel carrier toppled over on a West Bank road.

The vehicle was on its way to Hebron to provide security for a visit by Defense Minister Benjamin Ben-Eliezer when Wednesday's accident occurred.

Birthright hires suspended rabbi

A rabbi suspended from his rabbinic organization for sexual misconduct has been hired for a top position by a program that sends young Jews on free trips to Israel.

Rabbi Sheldon Zimmerman, who will serve as executive vice president of Birthright Israel, resigned in December as president of Hebrew Union College-Jewish Institute of Religion after the Reform movement's Central Conference of American Rabbis suspended him from rabbinical service for at least two years.

Mubarak disappoints audience

Egyptian President Hosni Mubarak told a group of American Jewish and American Arab leaders this week that he had repeatedly spoken out against anti-Semitic cartoons in the Egyptian media but would not make a new public appeal to stop them, Jewish leaders told JTA. [Page 4]

U.S. blames P.A. security forces

A U.S. State Department report said Palestinian security forces have "instigated and participated in anti-Israeli violence," but could not determine whether Palestinian Authority President Yasser Arafat has been directly responsible for ordering attacks on Israel. [Page 4]

Peres meets Palestinian official

Israeli Foreign Minister Shimon Peres met with Palestinian official Nabil Sha'ath in Greece in what was described as the highest-level talks between the two sides in two months.

After Wednesday's meeting, Peres said Israeli-Palestinian security talks would resume soon.

In other talks Wednesday aimed at reducing the ongoing violence, three Israeli female legislators, Naomi Chazan, Zehava Gal-On and Colette Avital, met Wednesday with Palestinian Authority President Yasser Arafat.

FOCUS ON ISSUES

As nature of Jewish funding changes, groups discuss ethics of philanthropy

By Julie Wiener

NEW YORK (JTA) — "Next to sex, you don't get much more intimate than talking about money and power."

So quipped Jeffrey Solomon, president of the Andrea and Charles Bronfman Philanthropies, at the opening plenary of this year's Jewish Funders Network conference.

With the theme "Power Philanthropy: Redefining Jewish Responsibility and Influence," the conference represented the first public discussion of the ethics involved in controlling and allocating large sums of money.

It comes as the world of Jewish family foundations is becoming increasingly influential, launching large projects and partnerships that reach tens of thousands of people.

The foundations' influence is evidenced in the growth of the Jewish Funders Network. Created 11 years ago by a handful of mostly left-leaning philanthropists, the group has grown to 800 members from more than 300 foundations.

Together, Funders Network members give at least \$250 million — which the network describes as a "lowball estimate" — to Jewish and secular causes each year. It is not clear what percentage goes to Jewish causes.

The network faces a transition period, with its longtime executive director, Evan Mendelson, leaving in coming months to start her own consulting firm, and its associate executive director leaving soon to head Amos, a new organization promoting Jewish social justice activism.

Their successors have not yet been chosen.

Not all Jewish foundations belong to the network. Moreover, it is difficult to determine how many such foundations exist, how much they donate and what exactly constitutes a Jewish foundation.

For example, many foundations created by Jewish families do not allocate significant funds to Jewish causes, while secular foundations — such as the Ford Foundation — sometimes allocate large sums to Jewish projects.

The Trust for Jewish Philanthropy, a federation system offshoot that forges partnerships among individual donors and foundations for large Jewish projects, estimates that Jewish family foundations have \$12 billion in assets.

In addition, the Trust estimates that another \$8 billion is in endowments, donor-advised funds and "supporting foundations" under the auspices of Jewish federations.

Assets of supporting foundations are managed by federations, but the donors decide where the foundations' income is allocated — and not all goes to Jewish causes.

Among Jewish family foundations in the United States, approximately 250 give \$200,000 or more each year to Jewish causes, said Donald Kent, former vice president of marketing and development for the federation system's United Jewish Communities.

Together, those foundations allocate slightly under \$250 million to Jewish causes, Kent said.

Only a fraction of Jewish family foundation money goes to Jewish causes. But combined with federation endowments, donor-advised funds and supporting foundations, they comprise a war chest of funds that surpass annual federation campaigns.

Long the mainstay of Jewish philanthropy, federation campaigns raised approximately \$880 million last year. In addition, foundations increasingly are involved in

MIDEAST FOCUS

Wounded infant said improving

Israeli doctors reported an "impressive" improvement in the condition of an Israeli infant seriously wounded in a Palestinian mortar attack Tuesday on a Jewish community in the Gaza Strip. Doctors said Wednesday that 15-month-old Ariel Yered had arrived at a local hospital without a discernible pulse, but was improving following surgery.

A Palestinian group calling itself the Nasrallah Brigades, named for the leader of Lebanon's Hezbollah movement, claimed responsibility for the mortar attack on the Atzmona community in Gaza. Israeli security officials have said terrorist squads with links to Lebanese groups, primarily Hezbollah, have increased activity in Gaza.

Palestinians shell Netzarim

Palestinians fired four mortar shells at the Netzarim settlement in the Gaza Strip early Wednesday, but no one was hurt, according to Israel's army. The army responded by firing several mortar rounds of its own, targeting a nearby Palestinian security base.

Eight Israelis hurt in explosion

Eight Israelis were lightly wounded by an explosion from a car parked outside an apartment building in central Israel. Police suspect terrorists were behind Tuesday night's attack in Hod Hasharon, which is located near the West Bank city of Kalkilya.

Poll: Israelis back tough policy

A broad consensus has emerged among Israelis for a tough policy against the Palestinians, according to the latest Peace Index survey conducted by Tel Aviv University's Tami Steinmetz Center. Among its findings, the survey found that 72 percent of Israeli Jews believe more military force should be used against the Palestinians and 71 percent expressed strong support for a blockade of cities under Palestinian Authority control.



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setting the Jewish communal agenda. In the past, major Jewish initiatives generally grew out of the federation system.

Yet some of today's largest projects — such as Birthright Israel, which sends young adults on free trips to Israel, and the Partnership for Excellence in Jewish Education, which provides start-up funding and other aid for new day schools — were initiated by independent philanthropists and foundations.

The ethics talk comes not only as Jewish philanthropy becomes more decentralized, but also in the wake of the Marc Rich pardon scandal, which has thrown a spotlight on Jewish organizations and philanthropists.

Rich's charitable foundation gathered letters of support from leaders of scores of Jewish organizations — like Birthright Israel and the Anti-Defamation League — that had benefited from Rich Foundation largesse.

Adding to the new focus on ethics, the Andrea and Charles Bronfman Philanthropies is launching an effort to develop shared ethical guidelines based on Jewish teachings. It is not yet clear how many foundations will participate in the effort or how extensive the guidelines will be.

In a plenary at the Funders Network conference, and in a later session on "ethics in grant making," philanthropists talked about how they treat grantees, how to prioritize different requests for money, how open to be about funding priorities and decisions and conflicts of interest on foundation boards.

They also discussed mission-based investing — for example, whether a foundation should avoid investing its endowment dollars in certain industries, such as tobacco.

In the conference's opening plenary, Marlene Provizer, executive director of the Jewish Fund for Justice, called on philanthropists to treat grant seekers with respect, to be more open about how funding decisions are made and to consider adding grant recipients to their boards.

Provizer urged philanthropists to acknowledge that "there's an imbalance of power inherent in the relationship between funder and grant seeker — even if they went to college together or camp or share the same worldview."

Another plenary speaker, Rabbi Irwin Kula, compared the role of money in Jewish organizational life to the role of money in politics.

"We need philanthropic finance reform and no one knows how to do it," said Kula, who is president of CLAL: The National Jewish Center for Learning and Leadership.

Kula said the Jewish community, which is relatively new to affluence, is not yet comfortable dealing with money and the accompanying "toxic mix of mistrust, suspicion, humiliation, resentment and envy" it can bring.

"I have philanthropists who have cried in my arms," he said. "Especially the children of major philanthropists. There are people my age, 43, who say 'The only reason people respect me is because I have money.'"

Despite the frankness of the plenary, most participants were reluctant to talk about their own personal experiences with money, power and related ethical issues.

While pressing its members to talk more freely about money, the network is highly protective of its largely wealthy membership. Invited speakers were repeatedly reminded not to solicit, and were discouraged from participating in conference sessions where they were not speaking.

Several sessions were closed to the press, such as one on inter-generational issues in family foundations and another on family funding issues for interfaith families.

JFN leaders said the conference aims to create a safe space — almost a "family therapy" environment — for wealthy Jews to talk about the role of money in their lives.

"There is a therapeutic element to that part of our program, and that's not something one does in public," said Jeremy Burton, the associate executive director of the funders network.

"Those outside their sociological group laugh it off — 'how could they have problems?'" Burton said.

Nonetheless, he said, many donors — particularly heirs to large family foundations — feel like "walking checkbooks," as if they are valued only for their money.

On top of that, many family foundations struggle over which family members should decide how funds are allocated.

"Every family has its own internal tensions, and when you throw in money and a trust to control, it adds whole new issues," Burton said. □

JEWISH WORLD

BEHIND THE HEADLINES

Experts: Campaign finance bill unlikely to curb Jewish influence

By Sharon Samber

WASHINGTON (JTA) — The jury is still out on how the Senate's campaign finance reform bill would change the political influence of the Jewish community, but experts believe Jewish interests will remain well represented no matter what happens.

After years of protracted arguments, the Senate on Monday set new standards for campaign finance that would affect the way money is donated and how groups make their voices heard in the political process.

The bill still must pass the House of Representatives, where its chances are considered fair. President Bush has indicated he will sign a campaign finance reform bill that "improves the system."

Legal challenges to the bill are also being considered. The McCain-Feingold bill would prohibit unregulated contributions by groups or individuals to the parties, known as "soft money" donations. Large donors to the parties — a number of whom are Jewish — would have to find new ways to flex their political muscles.

Among them could be increased "hard money" donations to a greater number of candidates, or financing of issue ad campaigns and direct mail efforts.

Both parties have their share of major Jewish donors, but many agree that the backbone of Jewish giving to campaigns has always been small individual donors. The end result, therefore, could be that Jews would be less affected by the McCain-Feingold bill than other groups.

Some political action committees, or PACs, have bundled such small individual contributions in order to use the group's power to greater effect.

Dozens of pro-Israel PACs started up in the 1980s, giving money to pro-Israel politicians and working against politicians who opposed Israel. Within a few years, PACs had become a major part of the fundraising establishment.

The campaign finance bill, which passed the Senate Monday by a 59-41 vote, would return some of the influence that PACs lost over the last decade — particularly in recent years, when soft money began to proliferate.

Fund raisers in private homes would continue to be the preferred way to attract premium donors, said Tina Stoll, a fundraising consultant in Washington. She predicted that large Jewish contributors who can no longer funnel money to the national parties would still support state parties, and might get more involved in gubernatorial races.

Most experts seem to feel the change would have a relatively small effect on Jewish political involvement.

In fact, the bill would double — to \$2,000 — the amount individuals can contribute directly to a candidate.

The limit on an individual's total annual contributions to all federal candidates, parties and PACs also was raised, from \$25,000 to \$37,500. The amounts would be indexed for inflation.

The bill is "neither a great hindrance nor a great help to Jewish political influence," one source close to the issue said.

Others note that Jews, because of their small numbers, cannot rely solely on their power as a voting bloc.

Therefore, they say, the ability to support candidates and friends of Israel and the Jewish community with financial contributions must not be impaired.

The current system has served the Jewish community very well, and the changes envisioned by McCain-Feingold are unwelcome, according to Matt Brooks, executive director of the Republican Jewish Coalition.

"The Jewish voice in electoral politics is going to be significantly silenced," Brooks said. "I don't think it's wrong to write a check."

But Ira Forman, executive director of the National Jewish Democratic Council, argues that the current system has not been the best for the Jewish community because it allowed for the possibility of a last-minute contribution that could help a campaign push for a message that was antithetical to the Jewish community.

"It's ridiculous to say that this" reform "is bad for the Jews," he said. "We will adapt to whatever system is out there." □

House votes against estate tax

The U.S. House of Representatives voted 274-154 on Wednesday to gradually reduce and then repeal the estate tax.

Jewish philanthropists have voiced concern over the repeal, saying charitable giving will suffer if the incentive to leave one's wealth to charity is removed. The organized Jewish community has remained relatively silent on the issue — for fear of offending donors, some say.

Judge upholds ADL verdict

A U.S. judge upheld a jury's findings that the Anti-Defamation League defamed a couple by publicly accusing them of being anti-Semitic.

In April 2000, a jury awarded William and Dorothy Quigley \$10.5 million in damages, but the judge reduced the amount to \$9.75 million Tuesday.

In another development, a coalition that includes the ADL unveiled a new program to prevent youth-initiated hate violence. Partners Against Hate provides information on hate crimes and offers ways to address youth-initiated hate violence. The project's Web site is www.partnersagainsthate.org.

Racist literature at Moscow meet

Anti-Semitic literature was distributed at a three-day conference in Moscow that brought together representatives from countries throughout the former Soviet bloc, according to the Union of Councils for Soviet Jews. The conference featured speeches by leading nationalists in the Russian Parliament, including Viktor Ilyukhin, a Communist known for his anti-Semitic rhetoric.

Budapest seminar grooms leaders

More than 50 young Jews from 14 European countries met in Budapest over the weekend for a seminar aimed at grooming a new generation of European Jewish lay leaders.

Sessions included workshops on developing and running community projects, networking, resolving conflicts and implementing education programs. Participants at the seminar, sponsored by the American Jewish Joint Distribution Committee, ranged in age from 17 to 30 and came from 13 former Communist states and Turkey.

Goussinsky blasts TV takeover

A group of shareholders wrested control of the NTV Russian television network from media mogul and Jewish leader Vladimir Goussinsky.

Goussinsky and his aides called Tuesday's move meaningless and vowed to fight it in court. Journalists at NTV protested the move, calling it an attempt to muzzle Russia's only independent television network.

U.S. report blasts P.A. security, but stops short of blaming Arafat

By Matthew E. Berger

WASHINGTON (JTA) — A U.S. State Department report analyzing Palestinian Authority compliance with its peace commitments found that the “P.A.’s security forces instigated and participated in anti-Israeli violence,” but said it was unclear whether they acted on orders from the P.A.’s president, Yasser Arafat.

The report has sparked renewed calls by U.S. Jewish groups to downgrade the relationship between the United States and the Palestinian Authority and to place at least some elements of the PLO and P.A. security apparatus on the department’s terrorism list.

The PLO Commitments Compliance Report, which analyzed events from June 16 to Dec. 15, 2000, also found that the Palestinian leadership has not tried to stop the current violence with Israel.

The Tanzim, the militia arm of Arafat’s Fatah faction of the PLO, came in for criticism.

“In addition to participating and encouraging demonstrations, stone throwing and shootings, Tanzim leaders incited violence, calling on Palestinians to ‘escalate the Intifada (uprising),’ ‘to take it into every street and every Jewish settlement,’ and to continue the violence despite the PLO’s agreement at the Sharm al-Sheikh summit to take steps to end it,” the report said.

The report does not draw conclusions about possible sanctions against the Palestinian Authority or the PLO for violating the PLO Commitments Compliance Act of 1989. That act recognized the PLO and set parameters for its relationship with the United States.

American Jewish groups believe the findings should lead the Bush administration to review the P.A.’s status in Washington. Suggestions have included downgrading the status of the PLO’s local office, not allowing Arafat and other Palestinian leaders to travel freely in the United States, and classifying the Palestinian Authority and the PLO as terrorist organizations.

“The report makes it abundantly clear that elements of the Palestinian Authority have been actively engaged in acts of terrorism and violence against Israeli citizens,” said Kenneth Bricker, spokesman for the American Israel Public Affairs Committee. “The appropriate response by the U.S. government” is “to immediately place Tanzim and Force 17 on the U.S. terrorist list.”

Force 17 is Arafat’s elite presidential guard. The State Department fingered both Force 17 and the Tanzim for instigating attacks against Israelis. However, citing conflicting reports from Israeli security services, the report said “it is not clear if Chairman Arafat or other high level PA officials sanctioned such actions.”

Morton Klein, president of the Zionist Organization of America, blasted the report as a “whitewash.”

“It only encourages Arafat to believe he will never be held responsible for murder against Jews,” Klein said. “It’s a political mistake to absolve what is publicly known.”

Some Jewish groups oppose adding Arafat and the Palestinian Authority as a whole to the terrorism list because it could sever the U.S. relationship with the Palestinian Authority. A more measured approach, they believe, would be to place just Tanzim and Force 17 on the list, sending a warning to the Palestinian Authority.

“You never want to take the extreme measure first,” said one Jewish organizational source.

But some left-leaning groups say any break in ties with the Palestinian Authority would be detrimental.

“There are many other options that those interested in diplo-

macy should be considering other than trying to isolate and humiliate the P.A. and the PLO,” said Geoffrey Aronson, director of the Foundation for Middle East Peace.

“The reports are not historical, but political,” Aronson said, noting that the report criticizes P.A. elements but reflects the political judgment not to dismiss the Palestinian Authority and Arafat as partners for peace. □

Mubarak opposes racist cartoons, but says that he won’t ban them

By Matthew E. Berger

WASHINGTON (JTA) — Egyptian President Hosni Mubarak told a group of American Jewish and American Arab leaders this week that he had repeatedly spoken out against anti-Semitic cartoons in the Egyptian media but would not make a new public appeal to stop them, Jewish participants told JTA.

Mubarak was candid in Wednesday’s meeting but offered unsatisfactory responses on issues such as the recall of Egypt’s ambassador to Israel and Egypt’s role in promoting Israeli-Palestinian peace, the Jewish leaders said.

“Anybody who assumed that today would be some kind of mea culpa or an epiphany is absurd,” said Rabbi Jerome Epstein, the executive vice president of the United Synagogue of Conservative Judaism and an organizer of the event. Mubarak “was very frank and very honest. He was willing to engage in a dialogue.”

The private session took place before Mubarak attended a luncheon with a group of American Jewish and Arab leaders.

Hyman Bookbinder, a longtime Jewish activist in Washington, pressed Mubarak repeatedly on the issue of the anti-Semitic cartoons. While nominally free, Egyptian media is under a large measure of government control.

However, Mubarak “was not prepared” to make a public appeal against anti-Semitic material in the press, said Rabbi Eric Yoffie, president of the Union of American Hebrew Congregations, the Reform movement’s congregational arm.

At the end of the meeting, Mubarak gave Bookbinder, the former Washington representative of the American Jewish Committee, a report of allegedly anti-Egyptian comments in the Israeli media, and asked why U.S. Jews do not criticize such comments.

Yoffie said Mubarak said he had “no choice but to respond to strong public opinion” in Egypt by removing his ambassador to Israel in November. Mubarak said the ambassador would return as soon as violence subsides.

At the luncheon, Mubarak said that the United States should be the “main player” in the Middle East. Mubarak also urged Israelis and Palestinians to overcome their differences.

“Both sides must believe and concede that their rights and obligations are equal,” he said. “A just and comprehensive settlement to the dispute should not reflect the military might or the ability of either to dictate to the other; it should stem from genuine acceptance of both sides.”

Mubarak said he would visit Israel “when everything is going well.” In 20 years in power, he has refused all invitations to Israel, except to attend the funeral of Prime Minister Yitzhak Rabin.

Mubarak president called the meeting of Arab and Jewish leaders “historic,” and invited a joint delegation to the Middle East. Controversy swirled around the event in recent weeks, with several Jewish leaders criticizing the idea of honoring Mubarak, who they feel often plays an obstructionist role in the peace process. □