



Daily News Bulletin

Vol. 80, No. 32

Friday, February 15, 2002

85th Year

TOP NEWS IN BRIEF

3 Israelis killed in Gaza

At least three Israelis were killed and two wounded when a roadside bomb was detonated next to a tank in the Gaza Strip.

Palestinian gunmen opened fire and detonated the bomb as a convoy of civilian vehicles accompanied by an army escort was traveling on a road near the Netzarim settlement. Israeli officials would not say whether the casualties were soldiers or civilians.

P.A. linked to 'axis of evil'

The White House referred to the Palestinian Authority as one of a number of regimes that "invite terrorism and that practice terrorism." White House spokesman Ari Fleischer on Wednesday also linked the P.A. to the "axis of evil" that President Bush described in his State of the Union speech.

Fleischer told reporters that the president placed great importance on education in countries "known to foster terrorism," citing Iran, Iraq, North Korea and the P.A. as examples.

Ruling may void Sharon trial

A ruling by the International Court likely will block any chance for Belgium to try Ariel Sharon for war crimes. The court ruled Thursday that Belgium cannot prosecute former and current world leaders because they have diplomatic immunity.

The ruling came as a result of a warrant Belgium issued for a former foreign minister of the Congo, but it is expected to have wider applicability, particularly in the case of Sharon. A Belgian court is slated to rule March 6 whether the Israeli prime minister should be prosecuted for crimes against humanity.

Sharon faces lawsuits filed by Palestinians and Lebanese accusing him of responsibility for the 1982 Sabra and Shatila massacre in Lebanon, which was carried out by Lebanese Christian militias allied with Israel.

A spokeswoman for Israel's Foreign Ministry welcomed Thursday's ruling, saying it supported Israel's position that Belgium should halt the proceedings against Sharon.

REMINDER: The JTA DAILY NEWS BULLETIN will not be published Monday, Feb. 18.

FOCUS ON ISSUES

Jewish institutions fear effects of long-term economic downturn

By Julie Wiener

NEW YORK (JTA) — Robert Belfer, a major donor and lay leader at Yeshiva University, lost an estimated \$2 billion in the Enron bankruptcy.

Gary Winnick, the largest individual donor to the Jewish Federation of Greater Los Angeles, has given away almost \$100 million to Jewish causes in recent years, including to the Simon Wiesenthal Center, Birthright Israel and Hillel: The Foundation for Jewish Campus Life. His company, Global Crossing, declared bankruptcy last month and now, like Enron, faces an investigation into alleged accounting fraud.

Amid a recession and several high-profile bankruptcies, Jewish institutions — most of whom were already concerned about the tendency of younger Jews to give less to Jewish causes than their parents did — are nervous.

It is not clear how Belfer's losses will affect his philanthropy. He declined to be interviewed, and spokespersons for Yeshiva University said they do not know of any change in his philanthropic plans.

As for Winnick, he apparently remains wealthy despite his company's failure. And his charitable foundation, which is independent of Global Crossing, is valued at \$100 million.

Rosalie Zalis, director of the Beverly Hills foundation, said its philanthropy will be unaffected by the bankruptcy.

But the real impact of the recession on Jewish institutions, including the federation system, and Jewish giving remains to be seen, according to philanthropy experts.

Indeed, it is not yet clear how the recession is affecting American philanthropy in general.

Patrick Rooney, chief operating officer and director of research for the Center on Philanthropy at Indiana University in Indianapolis, said data on fund raising for 2001 is not yet available.

However, a survey of fund raising professionals conducted earlier this winter indicated that "the perception by senior professionals was that it is a more difficult climate in which to raise money," he said.

Historically — and not surprisingly — giving slows during a recession, Rooney said.

If one accounts for inflation, giving has grown by an average of 3 percent each year in the past 40 years, but has declined by almost 1 percent in recession years, Rooney said.

Jewish federations throughout North America collectively raised \$850 million in 2001, a 3 percent increase from 2000. But now many are reporting that their fund-raising campaigns are down somewhat compared to last year at this time.

However, many attribute the shortfall to the fact that fund raising efforts got off to a slow start in the fall, with most groups hesitant to solicit donors in the weeks after the Sept. 11 terrorist attacks.

They say they are now beginning to catch up.

In addition, many federations report that donors' sense of a greater need — particularly the crises in Israel and Argentina — are helping to offset the fact that they are less flush with cash.

Carole Solomon, chairman of the United Jewish Communities Campaign and FRD department, said it is too soon to tell how the economy will affect campaigns.

"It's like a guessing game," she said. "The pledges and commitments we've gotten

MIDEAST FOCUS

IDF delay criticized

Israeli government and defense officials criticized the army's delay in responding to Palestinian rocket attacks on Israel.

The Israeli daily *Ma'ariv* quoted one senior political source as complaining that it took the military two days to mobilize a response to Sunday's rocket attacks, adding, "by the time we got moving, all the terrorists had time to escape." Defense Minister Benjamin Ben-Eliezer stressed Thursday that he approved the army operation, but he did not comment directly on the criticisms.

Paper publishes Taba record

An Israeli newspaper published what it said is an E.U. record of the last Israeli-Palestinian peace talks.

The unofficial document, published Thursday by *Ha'aretz*, indicated that the two sides agreed at the Taba talks in January 2001 to share Jerusalem and base the boundaries of a Palestinian state on Israel's borders before the 1967 Six-Day War. According to *Ha'aretz*, the document was based on reports the two sides gave to the E.U. envoy to the Middle East, Miguel Angel Moratinos.

A spokesman for Moratinos said the document was not binding. One former Israeli official who was involved in the Taba talks called the document "utter nonsense."

War crimes trial in Lebanon

Ariel Sharon and other Israeli officials are being tried in Lebanon for alleged war crimes. The trial is based on charges brought by 21 Palestinians and Lebanese over the 1982 Sabra and Shatila massacre in Lebanon, a Lebanese newspaper reported.

One witness said she saw Sharon watching through binoculars and personally directing the massacre. Sharon, however, was in Israel on the day Lebanese Christian militias carried out the killings.

so far show us really doing well. But the issue may show up, and if it does, it will show up at year-end," when the collection of pledges is completed and reported to the UJC.

Paul Kane, senior vice president of UJA-Federation of Greater New York, which is North America's largest federation, said he is "very concerned" about the economy, but "cautiously optimistic."

While in previous years, the federation aimed to raise more money than before, this year it simply is aiming to match last year's \$135.6 million.

Despite a campaign that was \$9.5 million behind in October, his group has narrowed the gap to \$1 million now, and "we've picked it up every day," Kane said.

In New York, the number of donors is down — but contributions from new donors is actually up by \$1 million, something Kane attributes to the heightened visibility of federation social service agencies in the aftermath of Sept. 11.

Kane expects giving from middle class people to be affected more than donations from more affluent ones.

"What's happened is the most generous and most affluent have continued to make substantial gifts to us," he said.

In contrast, less affluent donors are "the ones most impacted by the economy, and their excess income is not as flexible as among some of the more affluent."

Bruce Arbit, co-managing director of AB Data, a direct marketing firm that works with many national Jewish organizations, said giving from the small donors his company solicits is not affected so far, despite a brief post-Sept. 11 "lull."

However, Arbit, who is a lay leader in the UJC and the Milwaukee federation, said he is hearing anecdotally that impact is higher among the "highest end" of donors, whose giving accounts for the vast majority of campaigns.

"Retirees living on a portfolio whose value went down a third aren't feeling generous," he said.

Jon Friedenberg, executive director of the Jewish Federation of Greater San Jose, Calif., said the technology bust that has affected his local economy dramatically has had surprisingly little impact on his campaign.

However, he said that has less to do with fund-raising savvy and more to do with the federation's failure, so far, to penetrate the pool of young dot-com entrepreneurs.

"Because we weren't getting that much money from new high-tech wealth in the first place, when the downturn came we didn't get hammered that badly," he said.

Young people, particularly ones who — like many of the wealthy in Silicon Valley — are new to town, are statistically less likely to contribute to Jewish causes than older people with ties to the local community, Friedenberg said.

However, there has been one upside of the recession, he said.

"When things go exceptionally well, people become defensive — 'Gee, the vampire's here to suck my blood,'" he said.

With the economy down, potential donors "feel less able to be generous, but less defensive and more receptive to establishing a relationship and having conversations," Friedenberg said.

"If we can do that now, then as things get better, when people feel secure financially, we'll already have a relationship with them and they'll understand what federation is about," he said.

Mark Charendoff, executive director of the Jewish Funders Network, an association of more than 300 Jewish family foundations and major individual philanthropists, said that "the perception of times being tighter has a great impact on people's willingness to spend money."

Funders are more cautious now than in previous years, he said, particularly because their investments are not yielding as much income — even if their net worth has remained stable.

In addition, many are reluctant to fund anything new this year, he said.

Jewish groups seeking money "are going to have to work harder" to make their case this year, Charendoff said, but "there is still a great deal of money out there."

In addition, Charendoff is urging funders to try to increase their giving, even if it means dipping into the principle of their assets and not just giving away the 5 percent that U.S. tax law requires of foundations.

"It's the responsibility of grant-makers to respond to extraordinary times and say they are going to give more than they otherwise would have," he said. □



Daily News Bulletin

Ivan Michael Schaeffer, *President*

Mark J. Joffe, *Executive Editor and Publisher*

Lisa Hostein, *Editor*

Michael S. Arnold, *Managing Editor*

Lenore A. Silverstein, *Finance and Administration Director*

Paula Simmonds, *Marketing and Development Director*

JTA DAILY NEWS BULLETIN is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For information about how to subscribe by e-mail, fax or regular mail, call (212) 643-1890, or visit our Web site at www.jta.org.

© JTA Reproduction only by previous arrangement.

JEWISH WORLD

Storm over film on wartime pope

A controversy erupted in France over a poster for a new film by director Costa-Gavras that deals with the silence of Pope Pius XII in the face of the Holocaust.

The poster's design — a Christian cross intermingled with a swastika — has drawn strong criticism from the French Catholic Church. Interviewed on Thursday, the archbishop of Paris claimed the design "would arouse hatred." An alliance of conservative Catholic and extreme-right political groups plans to file a suit in French court to have the poster banned. "Amen" debuted at the Berlin Film Festival on Wednesday, and will be released in France on Feb. 27.

Commandments display rejected

Virginia's Senate prevented state public schools from being able to post the Ten Commandments. A Senate committee rejected a House of Delegates bill that would have required the state Board of Education to write guidelines for displaying the Commandments.

"The vote was a victory for religious liberty and tolerance," said David Bernstein, Washington Area Director of the American Jewish Committee. "The Ten Commandments are a sacred, not a secular, document, and don't belong in the public schools."

French court angers Germany

A French court ruled that Germany must compensate a French citizen for forced labor performed under the Nazis.

The plaintiff, a former electrician, had been conscripted by France's Vichy Government to work in a German submarine factory for close to a year. Germany, which last year established a fund for compensating victims of forced labor, denounced last week's verdict, claiming it contravened an international law that forbids a state from being judged in another country.

Report: Jewish life is expensive

The average American Jewish family with children must spend about 40 percent of its income to participate fully in Jewish life, according to an American Jewish Committee study.

Sending two children to Jewish day school and summer camp, paying for synagogue and Jewish community center membership and making a moderate Jewish federation gift of \$200 totals more than \$30,000, according to "The Costs of Jewish Living: Revisiting Jewish Involvements and Barriers." However, the median income for a Jewish family with children is \$75,000.

The high cost of affiliation means that efforts to expand participation in Jewish life are unlikely to succeed unless philanthropists underwrite more subsidies for low- and middle-income Jews, the report says.

Knesset passes Shin Bet law, but torture clause not clarified

By Naomi Segal

JERUSALEM (JTA) — The Knesset has passed a landmark law defining the responsibilities and authorities of the Shin Bet security service — but without addressing the controversial use of mild torture in interrogations of suspected terrorists.

After more than 12 years of political and public debate, Israel's law books for the first time contain legislation stating the objectives of the domestic security agency, its authorities and the mechanisms for its supervision and regulation.

The law was approved Monday in a 47-16 vote, with three abstentions. Among the opponents of the bill were members of the Communist-oriented Hadash faction and some lawmakers from the dovish Meretz Party.

Absent from the law was a controversial clause on the agency's interrogation methods, specifically the use of moderate physical pressure — such as vigorous shaking, playing loud music, sleep deprivation and keeping detainees in painful physical positions for prolonged periods — in the interrogation of terror suspects. The clause was removed following strong objections from several lawmakers and amid concern that its inclusion would prompt an international outcry.

Even without the interrogation clause, parts of the legislation raised a red flag among lawmakers. These included a clause stipulating a three-year prison sentence for any Shin Bet official or former official who publishes or otherwise divulges classified information about the organization or its activities to an unauthorized party.

Opposition leader Yossi Sarid of Meretz said the clause is an infringement on freedom of expression, and provides the prime minister, who has overall authority over the security agency, with a loophole for allowing things to happen that should not.

But Knesset member David Magen, who chairs the parliamentary committee that took part in drafting the bill, said the clause is in fact more lenient than existing legislation, which carries a 15-year sentence for leaking classified information.

Before the vote, some legislators also objected to the definition of the agency's responsibilities. In addition to guarding the state, its institutions and democratic regime from threats of terror, espionage and subversion, the Shin Bet is charged with preserving and advancing "other essential state interests" for national security. Former Justice Minister Yossi Beilin of the Labor Party has questioned the broad phrasing of the clause.

The law approved Monday defines the work of the Shin Bet, including setting the tenure of the agency head at five years. It establishes broader monitoring mechanisms of the agency's activities, spreading responsibilities among the prime minister, Cabinet, a ministerial committee and a classified subcommittee of the Knesset Foreign Affairs and Defense Committee.

In addition, it calls for an annual report to be submitted by an internal comptroller of the agency.

Controversy over interrogation methods was one of the main reasons for formulating the Shin Bet law.

In 1999, a panel of nine High Court justices unanimously ruled that the Shin Bet was not authorized to use any physical measures during an interrogation, and ruled that the state must make provisions in the law if the Shin Bet is to be able to use moderate physical pressure in interrogations of terror suspects.

Currently, Shin Bet interrogators who used these methods when interrogating "ticking bombs" — suspects they believe have information about impending terror attacks — receive retroactive authorization from the attorney general if he finds the use justified.

Including the interrogation provision in the law would provide interrogators with legal protection against criminal or disciplinary proceedings. Opponents of the clause, including Beilin, recently were quoted as saying its inclusion in law books would be a "stain on society."

But Shaul Yahalom, a legislator from the National Religious Party, said Shin Bet officials are on the forefront of Israel's fight against terror, and the special methods are essential tools in preventing terrorists from murdering innocent citizens.

Failure to provide interrogators with full backing within the law is a "cowardly and artificial" washing of hands of the matter, Yahalom charged. □

BEHIND THE HEADLINES

Proposed missile sale is latest sign that Egypt is in Bush's good graces*By Matthew E. Berger*

WASHINGTON (JTA) — Two contrasting images of Egypt are circulating in Washington, with policy-makers divided between those who see the country as an advocate for Middle East peace and those who view it as an obstacle.

The Bush administration lately has been warming to Egypt and President Hosni Mubarak, acknowledging the country's "leadership role" in the Israeli-Palestinian conflict. The White House on Thursday formally notified Congress of its intention to sell Egypt 53 Harpoon missiles, worth \$255 million, the latest sign that the administration views Egypt favorably.

Yet some lawmakers and Jewish activists are angry that the recent warming appears to have swept aside concerns about Egyptian human rights abuses, rampant anti-Semitism in the Egyptian press and the recall of the Egyptian ambassador to Israel.

Secretary of State Colin Powell said Tuesday that Egypt is "doing what we ask of them" in terms of aiding efforts to end Israeli-Palestinian violence. Specifically, analysts say, Egypt has increased pressure on Palestinian Authority President Yasser Arafat since a shipment of weapons was seized by Israel in January en route to the Palestinian territories.

"They've been solid" since then, one State Department official said of Egypt. "They've been tough on Arafat in getting things back on track and conveying hard messages."

The official said the United States also is heartened by last week's release of Saad Eddin Ibrahim, an Egyptian human rights activist who was sentenced to seven years in prison last May for tarnishing Egypt's image, embezzlement and accepting foreign money. Ibrahim, who also holds American citizenship, was granted a new trial by an appeals court.

Administration officials say they feel a need to acknowledge Egypt's changed tone, and have altered their rhetoric in describing Egypt. In addition, as it becomes more likely that the United States will target Iraq in the next phase of its war on terror — a move that is likely to inflame the Arab world — U.S.-Egyptian relations have taken assumed new importance.

Some lawmakers and Jewish activists are angry that ongoing concerns about Egyptian policy appear to have been swept aside lately.

"I think the administration has been vastly overgenerous in its praise" of Egypt, said Rep. Tom Lantos (D-Calif.). "It's a fundamental mistake on the part of the State Department not to put more pressure on Egypt" to promote American interests.

Congress has several issues on the table that affect U.S.-Egyptian relations.

Specifically, Congress now has 30 days to evaluate the proposed Harpoon missile sale. Israel backers believe that selling Egypt the weapon without modifications could erode Israel's qualitative military edge in the region.

Sen. Joseph Biden (D-Del.), chair of the Senate Foreign Relations Committee, and other lawmakers were seeking White House assurances that the sale would not compromise Israel's security. Powell told Congress this week that the weapons would be modified to prevent them from being used in a land attack.

Administration officials have told American Jewish leaders and Israeli officials that Egypt needs the weapons to protect the

Suez Canal from an attack like the one that occurred last year in Yemen against the USS Cole. But advocates for Israel say the weapon could be used for offensive strikes against Israel if the regime one day decides on a confrontational course.

Blocking the sale would require a majority vote in both houses of Congress, while overriding a presidential veto would require a two-thirds majority. No weapon sale has ever been successfully blocked in Congress.

Lawmakers also are seeking a reassessment of foreign aid to Egypt, hoping to boost the economic component while lowering the amount given for military aid. Egypt is slated to receive \$1.3 billion in military aid next year and \$615 million in economic assistance.

"Egypt needs developmental aid; it's a very poor country," said Rep. Brad Sherman (D-Calif.), who spoke this week about restructuring aid to Egypt at a United Jewish Communities convention for young leaders. "It's by no means clear that Egypt needs military aid."

Sherman said he believes Egypt's military played only a "symbolic" role in the Persian Gulf War, and doubts that Egypt would participate in a new attack on Iraq. He says he favors a Lantos plan that would shift a majority of Egypt's aid to the economic sphere.

Unless the economy improves, Sherman says, Mubarak's regime might become unstable.

Lantos is expected to introduce his bill later this month. He said he has received good responses from colleagues, but that it's still too early to say how much aid should be shifted.

Questioning Powell last week at a hearing of the House's International Relations Committee, Lantos said he believed the distribution of aid to Egypt was "out of whack."

"There is no military threat to Egypt from any source," he said. "There hasn't been one for years."

Lawmakers and American Jewish groups have tried for years to highlight concerns about the Egyptian government. Specifically, the Anti-Defamation League has tried to block aid to Egypt until anti-Semitic broadsides in the Egyptian press are stopped.

Of most concern is the Egyptian decision, shortly after the Palestinian intifada began in September 2000, to recall its longtime ambassador from Tel Aviv.

"The United States needs to encourage them to do even more, like return the ambassador to Tel Aviv and to energize a campaign against incitement and to speak about the need of the Arab world to compromise," the Israeli official in Washington said.

Lantos said Mubarak should have "made it crystal clear" to Arafat that the offer made to Palestinians at Camp David in July 2000 was a once-in-a-lifetime chance for peace.

However, with so many issues in the Middle East right now, complaints about Egyptian policy rate low on the scale, most advocates for Israel say. While pro-Israel activists are concerned, they have more pressing issues to lobby about.

If Egypt continues to push for a negotiated end to the Israeli-Palestinian conflict, analysts say it will continue to have a warm relationship with Washington and with some American Jewish leaders. And while changing the structure of aid to Egypt remains on the agenda, other plans to sanction Egypt have been tabled for the time being.

"Everything's relative," said an official with an American Jewish organization. "Given the long list of concerns the Jewish community has about issues concerning Israel, it's not surprising that Egypt, a country that has signed a peace agreement with Israel, isn't at the top of the list." □