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85th Year

TOP NEWS IN BRIEF

Kibbutz attack suspect gives up

Israeli soldiers captured a Palestinian who allegedly masterminded a terror attack Sunday on a kibbutz in which five Israelis were killed.

Mohammed Naefa surrendered Thursday after his hideout in the West Bank city of Tulkarm was surrounded by soldiers. The gunman who carried out the kibbutz attack remains at large.

Hamas, Fatah reach agreement

Hamas and Yasser Arafat's Fatah movement reached an agreement Wednesday to cooperate in the struggle against Israel.

Early reports had said that Fatah hoped to use the Cairo meeting to convince Hamas to stop terror attacks inside Israel. Instead, officials from the two groups agreed to work together to strengthen Palestinian national unity and "stop the aggression of" Israel's "occupational forces," according to the Israeli daily Ha'aretz.

CARE bill appears dead

A bill that sought to increase charitable giving, and would have allowed new funding to religious organizations to provide social services, died in the U.S. Congress.

During a Senate debate Thursday, Democratic lawmakers tried to add on more amendments to the bill, and ultimately discussion of the Charitable Aid Recovery and Empowerment Act ended without any movement. Most Jewish groups were opposed to the bill because they believe it would allow employment discrimination and other civil rights violations. But supporters, including the United Jewish Communities, said it is vital to the continued viability of social services and charities, as it would have added more than \$1 billion in federal funding. It is unclear if the issue will be revived in the next Congress.

Bush signs 'God bill'

President Bush signed into law a bill reaffirming references to God in the Pledge of Allegiance. The law signed Wednesday also supports "In God We Trust" as the national motto.

Congress gave near-unanimous support for the bill after a U.S. appeals court ruled in June that the phrase "under God" in the pledge violated the constitutional separation of church and state.

BEHIND THE HEADLINES

Tax on foreign earnings seen as blow to North American aliyah

By Jessica Steinberg

JERUSALEM (JTA) — It took Herb and Barbara Greenberg 10 years to realize their dream of making aliyah so they could live near their children and grandchildren.

But when a long-debated tax reform goes into effect in Israel on Jan. 1, they may have to consider leaving.

Many immigrants like the Greenbergs, former teachers who retired to Israel, came with the understanding that they would not have to pay Israeli taxes on income from their overseas assets. Like all American immigrants, the Greenbergs already pay U.S. taxes on that money.

That understanding will be reversed by the new tax law.

The revised law makes radical changes in the way immigrants' overseas assets are treated, including passive income, pensions and income earned abroad.

"We're living on a fixed income," Herb Greenberg said. "We're not talking about stock investments or passive income from real estate investments. We're not talking about big money."

The government's beleaguered tax reform was first recommended in the autumn of 1999 by then-Prime Minister Ehud Barak. It proposed lowering income-tax rates while instituting a 25 percent tax on all profits made in the capital market.

For American immigrants — many of whom are retired and living on fixed incomes — it would involve paying taxes both here and abroad.

According to the Tax Reform Action Committee, an ad-hoc group of concerned immigrants, the tax implications will vary for immigrants from different countries.

For a retired American couple with \$36,000 overseas dividend income who pay \$3,124 income taxes in the United States, the new law would force them to pay an additional \$9,476 in Israel.

Besides the financial hardship, what angers many immigrants is the apparent contradiction between the reforms and Israeli Prime Minister Ariel Sharon's repeated calls for a million new immigrants in the next decade.

Sharon has named immigration as one of his government's top priorities and has emphasized the need to encourage immigration from the West.

"We believe that the prime minister is sincere in his desire to encourage more olim, particularly from Western countries," said Marvin Silverman, national president of the Association of Americans and Canadians in Israel. "However, unless this tax legislation is amended, we are not only going to witness a dramatic drop in western aliyah but, worse yet, the division of families that came to be reunited in Israel."

Dan Biron, executive director of the Israel Aliyah Center for North America, said he doesn't think the tax changes will deter North American immigrants.

"They're going on aliyah for ideological reasons," Biron said. "They're willing to contribute to the strength of the State of Israel."

In fact, the government recently decided to up the immigration benefits offered to North American immigrants to match those offered to olim from distressed areas. The increased benefits will kick in Dec. 1, a month before the tax changes.

The roughly \$8,000 starter package given to a family of four in its first year in Israel originally was made available to immigrants from the former Soviet Union. It later was offered to immigrants from Ethiopia, and then to those from Argentina and France.

North American immigrants were believed to need less help, but the government

MIDEAST FOCUS

Israel raids Gaza City

Israeli forces moved briefly into Gaza City in what was described as the deepest incursion into the city in more than two years.

During Thursday's raid, soldiers arrested four brothers on suspicion they manufactured and distributed mortar shells used in attacks on Jewish settlements. At least two of the brothers were members of the Palestinian security services, the army said.

The brothers live just a few hundred yards from the home of Hamas leader Sheik Ahmed Yassin, according to The Associated Press.

The raid was seen as a warning to Yassin and other Hamas leaders there that they are within reach of Israeli forces.

Group accuses Israeli army

The Israeli human rights group B'Tselem charged that the army is continuing to use Palestinian civilians as human shields during anti-terror operations.

The practice defies a ban issued in August by the High Court of Justice, the group said Thursday. The army says it has forbidden the practice and is investigating the allegations.

U.N. support for Israel vowed

U.N. Secretary-General Kofi Annan pledged that the United Nations never would permit the destruction of Israel.

"It was to prevent such things from happening that the United Nations was founded," Annan said in a speech Wednesday at the University of Maryland that was harshly critical of Israel.

Annan also said Palestinians "have a right to their own state, supported by the United Nations and by public opinion worldwide." The only solution, he added is for Israel to relinquish the lands it took in the 1967 Six-Day War and to exist alongside a Palestinian state.



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changed its mind earlier this year. In addition to the \$8,000, immigrants receive free one-way tickets to Israel, rent subsidies or cheaper mortgage rates for five years, customs rights on imported goods for three years, and free health insurance and Hebrew study for six months.

Some might say that the increased benefits — intended to give North Americans an incentive to make aliyah — and the tax changes are working at cross purposes. Not Biron, however.

"Compared to the benefit of what the State of Israel is providing to new immigrants," the tax changes are negligible, he said. "It's almost next to nothing."

But the tax legislation certainly would affect the Greenbergs, who live in the Tel Aviv suburb of Ra'anana, near their daughter's family.

"We give financial help to the kids," said Greenberg, who has two married children and nine grandchildren in Israel. "A lot of young families come to us to help convince their parents to come here. And a lot of future olim from Western countries will have to factor in whether to come if their parents can't come."

The tax reform committee calls the legislation a "breach of contract" of government promises to olim who came to Israel with the understanding that they would not have to pay tax in Israel on the income from their overseas assets.

The group is seeking amendments to the new tax law, making the effective date for taxation of passive income either 10 years from the date of immigration or 10 years from the effective date of the law, whichever offers immigrants more time.

The committee also is seeking to broaden the definition of pensions to exempt all types of retirement income that retired immigrants receive from overseas.

The tax reform passed as a law in early 2002, meaning that the only way to change it is through amendments in the Knesset. The problem is, the Knesset will be out of session until after the Jan. 28 elections, and the new law is scheduled to go into effect Jan. 1.

If the amendments aren't passed this week before the Knesset recesses, the process will have to begin from scratch when a new Knesset convenes later this winter.

Deputy Prime Minister Natan Sharansky, who heads the immigrant party Yisrael Ba'Aliyah, tried recently to add the two tax changes to a list of more than 30 amendments offered by Finance Minister Silvan Shalom, to no avail.

Shalom "thought it would open a Pandora's box" and encourage other interest groups to propose their own changes to the law, said Eli Kazhdan, executive director of Yisrael Ba'Aliyah. The Finance Ministry said it had no comment on the matter.

Yitzhak Heimowitz, an attorney and co-chair of the that reform group's executive committee who has followed the issue since it was introduced in 1999, wasn't surprised that Shalom took a "hard-nosed attitude" to the proposed amendments.

"Their attitude is not to concede anything until the very end, and then they concede very little," he said. "The only way they can be overcome is politically."

That is what happened two years ago, when the tax reform was almost passed. Then-Finance Minister Avraham Shochat agreed to delay Israeli taxes on new immigrants' overseas assets for 10 years, and five years for veteran immigrants.

When Barak's government collapsed, however, the tax bill was left in limbo.

The National Religious Party, Israel Our Home and the secular Shinui Party have joined Yisrael Ba'Aliyah in the tax reform battle. Kazhdan is hoping that Benjamin Netanyahu, the interim foreign minister who is running against Sharon in the Nov. 28 Likud Party primaries, will come on board.

"Yisrael Ba'Aliyah are fighting like the devil, but they're not strong enough," Heimowitz said. "The only one who's strong enough is Arik Sharon, but he doesn't seem to care."

Sharon has "been off the radar screen" on the issue, agreed Kazhdan.

The Jewish Agency for Israel's Board of Governors unanimously passed a resolution last week calling on Sharon to abolish the "anti-aliyah" taxes.

The agency has "a moral responsibility" to ensure that the immigrants it brings to Israel have a successful absorption, Jewish Agency Chairman Sallai Meridor told JTA.

The tax reform committee's team hoped the Board of Governors' support would make Sharon "tell Silvan to straighten it out," Heimowitz commented.

"It could still happen if he thinks he's about to lose" the immigrants' votes in the Likud primaries, Heimowitz said. □

JEWISH WORLD

Student's killer sentenced

A man who killed a Canadian rabbinical student because he looked Jewish was sentenced Wednesday in Pittsburgh to 10 to 20 years in prison.

Steven Tielsch received the maximum sentence for third-degree murder under guidelines in effect in April 1986, when Neal Rosenblum was shot five times after leaving a synagogue, The Associated Press reported. Prosecutors had sought a first-degree murder conviction at Tielsch's fourth trial for the slaying. Three earlier juries were unable to reach a unanimous verdict.

Iranians face hate crimes charges

Two Muslims of Iranian descent face assault and hate crimes charges for allegedly attacking a Jewish man in Los Angeles.

According to witnesses, Davoud Mohammed Majid, 19, and Mohammed Hassan Aref, 22, were among a group of up to 15 who in September chanted "Kill the Jews" as they kicked the victim, who is also Iranian.

Ex-KKK head to speak in Bahrain

Former Ku Klux Klan leader David Duke plans to speak in Bahrain, where he will repeat his belief that Israel was behind the Sept. 11 attacks.

Muhammad Zuhair, Duke's host, was quoted by the Gulf Daily News as saying, "We are aware of his background. We focused on the Zionist issue. Not many people are prepared to speak out against Zionism."

JDL leader dies at 57

Jewish Defense League leader Irv Rubin died in a Los Angeles hospital Wednesday at 57. He had been in a coma since Nov. 4, when he attempted to commit suicide in jail, authorities said.

N.Y. officials visiting Israel

A group of New York officials are planning a solidarity visit to Israel. The Nov. 17-20 visit is sponsored by UJA-Federation of New York and the Jewish Community Relations Council.

Among those taking part are New York City Comptroller William Thompson and City Public Advocate Betsy Gotbaum.

Jewish journalist dies at 99

David Horowitz, who from 1969 to 1972 served as managing editor of The American Examiner, a forerunner of The New York Jewish Week, died recently at 99.

Horowitz also reported from the United Nations for 50 years.

At the start of his career, he wrote for the United Israel Bulletin, the journal of the United Israel World Union, an organization he founded in 1943.

Germany to triple its funding for country's Jewish community

By Toby Axelrod

BERLIN (JTA) — An agreement has been reached that dramatically increases Germany's financial support for its Jewish community at a time of increased concern about anti-Semitism here.

For the first time since the end of World War II, the federal government is establishing a contractual relationship with the Central Council of Jews in Germany.

The development was announced at a news conference here Thursday by Chancellor Gerhard Schroeder and Central Council President Paul Spiegel.

According to the contract, Germany will triple its annual budget for the Central Council — to nearly \$3 million — to meet the needs of a Jewish population that has grown threefold since 1990 with the arrival of immigrants from the former Soviet Union.

The contract, which will be similar to those with the Protestant and Catholic churches, still must be approved by the Parliament.

"It is a historical situation, and it proves that the German government is not only aware of the new Jewish community here but also supports it and welcomes it," Spiegel told JTA. "I am very happy."

The vice president of the Central Council, Michel Friedman, said, "The country now is taking an institutional responsibility toward the welfare of Jewish life in this country."

Calling the development "extraordinary," Friedman also told JTA that no Jewish community in Europe has a similar contract.

The details and administration of the contract are to be handled by Interior Minister Otto Schilly, a spokesperson for Schroeder said.

With a recent influx of immigrants from the former Soviet Union, Germany's Jewish population has risen from about 30,000 in 1990 to about 100,000 today, making it the fastest growing Jewish community worldwide.

Before Hitler came to power in 1933, there were about 500,000 Jews in Germany.

The 83 local Jewish communities here operate under the umbrella of the "Einheitsgemeinde," or "united community," which oversees funding for communal needs.

German citizens who wish to belong to a church or synagogue pay a percentage of their annual income tax into a so-called "church tax," whose funds are then channeled through the federal government to faith communities in proportion to their membership.

With the rapidly expanding Jewish population, the need has grown for language and job training programs, religious education, synagogues and community centers.

The council simply could not meet those needs with its current annual budget of nearly \$1 million, Friedman said.

That amount reflected the needs of two decades ago, when former Chancellor Helmut Kohl created an endowment of nearly \$20 million whose interest funded the community's annual budget.

The Central Council has been pushing for more funding for years, Friedman said.

"In the last few weeks it became clear that all the political parties in the federal government and the Parliament are open to this," he said.

The new allocation will be adjusted annually for inflation, said Friedman, who added that the federal agreement will not replace states' contracts with their local Jewish communities.

The new contract with the Jewish community was hailed by an official with the Claims Conference, which was created after World War II to oversee restitution and reparations to Holocaust survivors.

On Thursday, the group concluded a two-day symposium marking the 50th anniversary of the Luxembourg Agreements, according to which Germany agreed to pay compensation to Holocaust survivors and to financially support the fledgling Jewish state.

"The German Jewish community needs affirmative action," Israel Singer told JTA.

Today's Jewish community is still trying to rebuild institutions "ruptured and broken" during the Nazi years, Singer said. It also faces the challenge of having "grown artificially" through the recent immigration from the former Soviet Union. □

BEHIND THE HEADLINES

New ad campaign highlights 'threats' to Israeli democracy

By Joe Berkofsky

NEW YORK (JTA) — A group fighting for social justice in Israel is launching a media campaign to fight what it considers threats to Israeli democracy.

The New Israel Fund is launching a Web site and running a series of ads in The New York Times, the Jerusalem Report and several major American Jewish newspapers, urging Jewish leaders to speak out about social inequities the group says undermine Israeli democracy.

Dubbed the Voice For Democracy campaign, the effort will focus on the growing gap between Israel's rich and poor, the need to protect the rights of Israeli Arabs and Palestinians, and the battle for religious pluralism in Israel.

The effort comes several months after a group called the Israel Project launched a high-profile campaign touting Israeli democracy as a way to build American public support for Israel during the Palestinian intifada.

Some Jewish leaders are blasting the New Israel Fund campaign, with one critic calling the effort "disgraceful" and "self-destructive."

"The people from the New Israel Fund obviously don't go to Israel," said Helen Freedman, executive director of Americans for a Safe Israel. "Jews shouldn't be worried about some false democracy that can't exist with people whose stated intention is to kill you."

But Norman Rosenberg, executive director of the Washington-based fund, said the ads are meant to spark debate about Israel's social ills and raise money to fight them.

"In Israel these issues are debated every day in every way, but that is not the case here" in the United States, where "any questioning is seen as Israel-bashing," Rosenberg said.

While he acknowledged that Israel is engaged in a "difficult" military struggle with the Palestinians, Rosenberg said that "we want to make sure that another casualty doesn't become the democracy we care so much about."

"Our perception is that Israel's strength depends on having these discussions," he said.

The first ad was slated to appear on the Times' Op-Ed page Friday. "The only democracy in the Middle East must remain a democracy. Even in war," the ad says.

Timed to precede Israel's Jan. 28 elections, the ads initially will offer a broad overview of the issues, then will focus on specific topics through the end of the year, New Israel Fund officials said.

Despite the timing of the ads, fund officials insist the campaign favors neither left nor right in Israel.

"This is a nonpartisan effort," said Jeremy Ben-Ami, the group's communications director. "Whether it's a Labor or Likud government, we're advocating change no matter who's in charge."

Among the first issues addressed are civil rights for Israel's 1.2 million Arab citizens, "who are waiting to have the promise of democracy fulfilled for them," Rosenberg said.

The Times ad warns of threats by some Israelis "to forcibly transfer Arabs, including citizens of the state."

Such talk, once considered radical, has grown "commonplace," Rosenberg claimed.

Also topping the New Israel Fund's agenda is the growing economic gap in Israel. Ben-Ami said a U.N. report showed Israel has replaced the United States as the developed nation with the widest gap between the top and bottom 10 percent of wage earners.

Subsequent ads will discuss "the tension between religious and secular authorities" and the battle for legitimacy by "nontraditional" Jews, Rosenberg said.

The fund has spent \$150,000 on the effort so far, and hopes the ads will "generate more funding" for future ads and media campaigns, Rosenberg said.

The campaign represents a departure of sorts for the New Israel Fund. Founded in 1979, the group has awarded more than \$120 million to 600 Israeli groups working for civil rights, religious freedom and other social issues.

The fund hopes its ads will prompt "the next level of discussion" about the Israeli democracy that was touted in the recent Israel Project campaign, Ben-Ami said.

Those earlier ads were produced by the American Jewish Committee, a group of Silicon Valley business people called Israel 21c and Washington pollster Jennifer Laszlo Mizrahi. The ads illustrate Israeli democracy with pictures of the Knesset and of an Arab woman casting a vote.

The New Israel Fund ads are framed around the questions, "What type of democracy is Israel, and what type of democracy should Israel be?" Ben-Ami said.

Larry Weinberg, executive vice president of Israel 21c, said his group's pro-democracy ads are aimed at "a completely different audience" of Americans "who don't even recognize that Israel is a vibrant democracy."

However, Israeli democracy "is served by a vibrant debate" about its very nature, Weinberg said.

Lewis Roth, assistant executive director of Americans for Peace Now, welcomed the New Israel Fund effort.

At the height of the Oslo peace process, when it seemed that the military threat to the country was over, Israelis "looked inward" and focused on social problems, Roth said.

In the midst of the intifada, he said, these issues "get buried." "It's healthy to have a campaign to remind people about the essence of what having a Jewish state means," he added.

But Morton Klein, president of the Zionist Organization of America, said the New Israel Fund should be addressing what he called the real threats to Israel: Arab and Palestinian terrorism.

"At a time when" Palestinian Authority President Yasser "Arafat is ordering the murder of Jews, paying for the murder of Jews, where is the New Israel Fund?" Klein asked.

The group should be focusing attention on the situation in Arab countries, Klein said, where people are arrested, tortured and killed for political purposes, women are abused, and "they're teaching their people to hate others."

But Rabbi Don Rossoff, of Temple B'nai Or in Morristown, N.J., took a very different view.

Rossoff, a board member of the Reform movement's Seeking Peace, Pursuing Justice campaign — which recently organized a nationwide "teach-in" on the moribund peace process — said concern about Israeli social issues is "an expression of our love" for the Jewish state.

"Not everything that Israel does or has done is always the best, and not everything the Palestinians have done is always the worst," he said. "People who care about Israel will care about all aspects of Israeli society." □