



# Daily News Bulletin

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86th Year

## TOP NEWS IN BRIEF

### House cuts aid to Israel

The U.S. House of Representatives cut the annual allocation to Israel slightly.

The bill, passed Monday, reduced the foreign aid allocation to Israel by 0.59 percent, or \$15 million. Israel is slated to receive \$2.16 billion in military aid and \$480 million in economic aid next year.

However, it's unclear whether the Senate will do the same when it takes up the spending bills, as expected in January. This would be the second straight year that foreign spending is cut across the board as part of an omnibus spending bill. Aid to Israel was cut 0.65 percent last February.

### French schools to study Shoah

French schools will be provided with pamphlets on the Holocaust, Prime Minister Jean-Pierre Raffarin said. The pamphlets are part of a series of measures announced Tuesday after the first meeting of a special Cabinet committee on racism and anti-Semitism that was set up in the wake of an arson attack last month on a Jewish school.

The government also said it would instruct the head of the country's broadcasting commission to monitor all television and radio broadcasts for racist and anti-Semitic comments.

### Unfair?

Israel slammed a U.N. decision to have the International Court of Justice rule on the West Bank security barrier.

"What kind of morality is it that the U.N. does not lift a finger against a wave of offensive operations against Israel but condemns defensive measures? That is moral bankruptcy," Dore Gold, an adviser to Israeli Prime Minister Ariel Sharon and former ambassador to the United Nations, said Tuesday.

### Bush suspends embassy move

President Bush again has suspended moving the U.S. Embassy in Israel to the capital city, Jerusalem.

Invoking a waiver that cites national security reasons, the president resisted complying with the Jerusalem Embassy Act of 1995, which mandated that the embassy be moved to Jerusalem from Tel Aviv. Presidents have invoked that waiver every six months since then. Bush pledged to move the embassy during his presidential campaign in 2000.

## Federation system retains status quo in allocating bulk of overseas dollars

By Rachel Pomerance

NEW YORK (JTA) — One of the most heated battles within the North American federation system — how to fund Jewish needs abroad — has ended for now.

But the struggle to raise those funds is not over.

In a meeting in New York on Monday, members of the United Jewish Communities' committee charged with recommending the distribution of funds for Jewish needs overseas decided to maintain the current split in allocations between its two chief overseas partners.

Now, it's up to the federations to implement the committee's decision.

The Overseas Needs Assessment and Distribution Committee, known as ONAD, decided to allocate \$144 million — or 75 percent — of an expected \$187 million to be raised next year for overseas needs to the Jewish Agency for Israel, which runs immigration, absorption and Zionist education programs, according to the UJC.

The other 25 percent — or \$43 million — will go to the American Jewish Joint Distribution Committee, which runs Jewish relief and welfare programs abroad, primarily in Israel, the former Soviet Union and Argentina.

In addition, the committee called for an extra \$20 million to be split evenly between the two groups.

The long-awaited decision by ONAD was a compromise proposal put forth by Steven Nasatir, president of the Jewish Federation of Metropolitan Chicago.

Intended to cover two years, the decision is expected to be approved next month by the UJC's board of trustees.

But the key question facing the federation system remains: Will the individual federations comply with the recommendations or ignore them?

The compromise decision comes amid increased scrutiny of the ONAD process, which was launched with the inception of the UJC four years ago and is considered a bellwether of the federation system's success and efficiency.

It also caps a two-year process that sought to consider whether the changing situation of Jewish needs abroad warranted a change in the allocation of resources that has held steady since the beginning of the 1990s.

One proposal offered in the committee sought an increase in funds to the JDC.

Advocates of the JDC had argued that with decreasing aliyah, or immigration to Israel, and increasing economic needs among Jews around the world, it was time to reassess spending priorities.

For its part, the Jewish Agency says it has decreased its budget and is hard-pressed to address the many absorption needs of new immigrants, which has become a major focus of the Jewish Agency. Pressure to keep the status quo came from Israeli officials, including Israeli Prime Minister Ariel Sharon and Labor Party leader Shimon Peres.

The allocations decision has pleased some federation players and left others frustrated. It also has raised questions about whether the ONAD system will live on.

"I think, based on yesterday's actions, the future of ONAD is in doubt," said the chairman of the ONAD committee, Steven Klinghoffer.

Others disagreed. Larry Jackier, president of the Jewish Federation of Metropolitan Detroit and co-chairman of an ONAD committee on social welfare outside of Israel said, "I don't think it's in doubt. I do think that it's an evolving process and I think the people of ONAD recognize that."

"You have to make painful, difficult decisions all the time about valid, competing,

## MIDEAST FOCUS

### At U.N., Israel 'fighting Irish'

Israel will not support an Irish-sponsored U.N. resolution condemning religious intolerance.

In a slap at Ireland for withdrawing a proposed resolution on anti-Semitism because the bill could not win unanimous support at the U.N. General Assembly, Israel announced Tuesday that it would abstain on Ireland's annual resolution on religious intolerance.

The move effectively will kill the resolution, since the bill will not attain the unanimous support the Irish require for their resolutions, according to Dan Gillerman, Israel's ambassador to the United Nations.

The Irish Mission to the United Nations did not return a call seeking comment.

### Mubarak weighs in

Israeli Foreign Minister Silvan Shalom may meet Egypt's president in Geneva on Wednesday.

Israel hopes the talks, announced Tuesday on Israel Radio, will mark a resumption of Hosni Mubarak's peacemaking efforts following months of a diplomatic cold-shoulder from Cairo.

Mubarak repeatedly has hosted Israeli opposition figures since Israeli Prime Minister Ariel Sharon's election in 2001, but more recently has pressured Palestinian terrorist groups to suspend their attacks.

### Bombing foiled

Israel captured a would-be suicide bomber after a manhunt that brought central Israel to a virtual standstill.

The arrest of the terrorist and two other Palestinians who tried to help him cross the West Bank security fence was announced Tuesday, a day after their capture by the Shin Bet security service en route to Rosh Ha'ayin.

Traffic around the central Israeli city slowed to a crawl for eight hours Monday as security services searched each vehicle.



## Daily News Bulletin

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important needs throughout the Jewish world. That requires you to make compromises and do the best you can under the circumstances," Jackier said.

ONAD is made up of 18 communities and representatives from the Jewish Agency and the JDC. Among committee members, 13 communities voted for the compromise proposal, along with the representatives of the Jewish Agency and the JDC.

Boston was the only federation to oppose the proposal. The four "large-intermediate" communities represented on ONAD — Cincinnati, Milwaukee, Columbus and Phoenix — abstained.

Monday's meeting followed a lengthy process that included intense lobbying by the two agencies, a mountain of paperwork and a series of overseas fact-finding missions in which both agencies demonstrated their particular needs to the ONAD committee.

The UJC was created in part to reverse a trend that saw fewer federation dollars going overseas and ONAD was the channel to do it. The UJC's creation also was meant to democratize the process by employing a cross-section of North American federations to review agency requests.

Instead, it has failed to boost actual dollars overseas, with several federations ignoring ONAD's recommendations. And UJC's overseas partners have become embroiled in hostile politics, pitted against each other for dwindling resources.

While the UJC touted the decision in a news release Monday as an overall increase in overseas allocations, each individual federation has the power to determine its own overseas allocations.

At least one federation that abstained from the vote said it had done so because it was not ready to commit to an increase in overseas funding.

The UJC also has taken heat from federation leaders for its failure to create a mechanism to lobby federations for overseas funding, despite a decision to do so nearly a year ago.

Stephen Hoffman, president and CEO of the UJC, told JTA after Monday's meeting that the UJC has a plan to promote the need for more overseas funding.

"We intend to map out a very personal tailored discussion with each community over the next 120 days," he said. Hoffman said he thinks it's a sound strategy because the overseas picture is "driving campaign growth in this particular moment."

Apart from the \$187 million, known as core funding, the system expects to allocate an additional \$32 million in elective funds, which each individual community decides how to spend overseas. Of the \$20 million additional funds ONAD designated to split between the two groups, \$6 million will be transferred from the elective funds and an additional \$14 million will be raised from the federations, according to UJC officials.

Many view that prospect with skepticism, considering the fact that federations have fallen short even of core recommendations in the past. But officials from both the JDC and the Jewish Agency praised the effort and the system.

"It was as good and as fair a decision as it can be," said Carole Solomon, chairman of the board of the governors of the Jewish Agency.

"They've responded to the Israelis by their decision today," she said. "The decision that was reached was not a ceiling; it was a floor."

"JDC heartily endorses the ONAD committee decision," said the JDC's executive vice president, Steven Schwager. "The system produced a solution which deals with needs in Israel, Argentina and the former Soviet Union."

But others complained.

One member of the ONAD committee said the analysis and work that went into the decision largely was ignored in response to political pressure from the Jewish Agency.

Nasatir, whose federation in Chicago is heavily oriented toward the Jewish Agency, rejected the idea that the compromise came as a response to political pressure.

"What I'm feeling is needs," he said. "I think we're not providing enough money overseas in general."

He said Jews are telling federations they want to send their money to Israel.

"So how can we come up with any decision that doesn't result in more dollars for Israel?"

"And by the same token," he added, "how can we come up with any decision that doesn't recognize the hunger in the former Soviet Union and the breakdown in Argentina?"

□

## JEWISH WORLD

### House bill backs peace plans

A new bill in the U.S. House of Representatives embraces unofficial Israeli-Palestinian peace proposals. The resolution, introduced Tuesday by Rep. Lois Capps (D-Calif.), calls on Israeli, Palestinian and U.S. leaders to work with advocates of alternative peace plans to end violence in the region and seek lasting peace.

"We must support the pursuit of peace in the Middle East through all serious and credible means," Capps said. "When prominent Israelis and Palestinians make significant progress toward compromise on the issues that have divided them for decades, the United States should offer our strong support and encouragement." An identical resolution was introduced last month in the Senate by Sen. Dianne Feinstein (D-Calif.).

### Rough times Down Under

Anti-Semitism in Australia rose to record levels. The country suffered through its highest number of anti-Semitic harassments on the street, as well as graffiti and threatening e-mails, for the year ending Sept. 30, according to Australia's central Jewish group. "There is plenty of evidence that the Middle East situation was used as a tool to express anti-Semitic hatred," said Jeremy Jones, president of the Executive Council of Australian Jewry.

### Sentence for Oregon hate

An Oregon man was sentenced to jail for leading a hate gang. Brian Raymond Hauth, 27, received nearly three years in prison Monday for directing a gang of teenagers to commit hate crimes, including spray-painting graffiti at a Jewish cemetery.

### Peres award protested

Arab Americans protested a peace award to Shimon Peres.

Demonstrators outside Monday's Seeds of Peace function in Michigan where Peres was being honored along with Palestinian intellectual Sari Nusseibeh held signs accusing Peres of being a killer for retaliatory strikes Israel launched into Lebanon when Peres was prime minister in 1996.

### Finn: Jewishness hurt me at U.N.

A Finnish diplomat said his Jewish background helped prevent him from being chosen as U.N. secretary-general in 1972.

Max Jakobson, who was his country's representative to the United Nations from 1965 to 1972, made the comments in the Finnish Jewish newspaper HaKehila. Instead, the post went to Kurt Waldheim of Austria, whose controversial actions during World War II were later revealed.

## BEHIND THE HEADLINES

### In Cairo talks, Hamas shows that it can resist P.A. pressure

By Gil Sedan

JERUSALEM (JTA) — In the Middle East, hope can be a fleeting thing.

Over the weekend, Israeli pundits predicted that talks among Palestinian terrorist groups and the Palestinian Authority were about to produce a new "hudna," or temporary cease-fire with Israel — one that even would require some Israeli concessions in its war on terrorism. But then Hamas balked. The leading Palestinian terrorist group refused to agree even to a limited cease-fire without a formal Israeli agreement to accompany it. So Palestinian Authority Prime Minister Ahmed Qurei left Cairo having suffered another serious blow to his prestige.

Some Hamas leaders tried to downplay the collapse of the Cairo talks. Hamas negotiator Mousa Mohammed Abu Marzook announced Monday that his group was ready for another round of talks, preferably in the West Bank or Gaza Strip, away from the pressure of Egyptian President Hosni Mubarak and his aides.

Qurei, for his part, is concerned that the collapse of the talks may set off another round of violence that will give Israeli Prime Minister Ariel Sharon a pretext to speed up construction of Israel's West Bank security barrier, which Palestinians oppose.

Hamas demonstrated in Cairo that the longtime terrorist group is a tough nut to crack. It flexed its muscles to show that it wouldn't follow the rules dictated by Qurei and P.A. President Yasser Arafat. Qurei wanted Palestinian groups to announce a cessation of hostilities against all Israelis but would have settled for an agreement to limit attacks to Israeli soldiers and settlers.

With an agreement in hand, Qurei planned to meet Sharon and demand drastic Israeli concessions in response: No more targeted killings of terrorist leaders, a halt to construction of the security fence and a freeze on West Bank settlements.

Sharon had refused to offer a formal commitment that Israel would cease its anti-terrorist operations but had made clear that if there were quiet in the Palestinian territories, Israel would not disrupt it.

But Hamas, along with other terrorist groups like Islamic Jihad and the Popular Front for the Liberation of Palestine, refused to commit to any sort of cease-fire as long as Israel hadn't formally agreed to rein in its forces.

Mubarak expressed his disappointment on Monday. "All we asked was that they give Qurei the power to negotiate with Sharon," the Egyptian leader said.

Hamas, however, may have had another agenda: The group announced that the Cairo talks had failed because "Arafat and Qurei had refused to include the Palestinian factions in preparations for the talks with Israel."

That could indicate that Hamas' position was more than just a matter of tactics. It may have signaled a turning point in its relations with the Palestinian Authority.

Hamas indicated to Arafat that it can't be bullied, and the group regards itself as a political power strong enough to set conditions for P.A. leaders.

So what happened to Hamas?

The local leadership, which has been hounded by Israel's anti-terrorism strikes, is aware of the need to take time out from the intifada. Last week's operations by the Israel Defense Forces against Hamas targets in Ramallah were a case in point.

Indeed, previous Israeli operations, which forced Hamas leaders underground, had led the organization to declare a cease-fire this summer. The halt of hostilities was short-lived — it ended with a devastating suicide bombing in Jerusalem — but gave the terrorists time to regroup. However, the Hamas leadership in Jordan and Syria, outside the Israeli-controlled territories, dictated a harder line. Sources in the IDF intelligence division said Palestinian terrorist groups believe they are in a "better strategic position" right now because of U.S. difficulties in Iraq and the growing internal debate in Israel following the presentation of various unofficial peace proposals.

Even after more than three years of suffering, Hamas leaders believe their people can endure more. According to Israeli military sources, Hamas, Islamic Jihad and even Fatah continue to plan terrorist attacks. □

## FOCUS ON ISSUES

## With support for Israel falling, Cabinet pledges strong P.R. effort

By Joe Berkofsky

NEW YORK (JTA) — Israel may be rebuilding a crucial weapon in its defense arsenal: public relations.

The Israeli Cabinet is reviewing a Foreign Ministry proposal to make public-relations fallout an integral part of regular debate about diplomatic and military measures, JTA has learned.

Gideon Meir, a deputy director general of Israel's Foreign Ministry, told JTA that Cabinet Secretary Israel Maimon will convene a meeting of top officials of Prime Minister Ariel Sharon's office and the defense, finance and foreign ministries to consider a comprehensive plan to overhaul Israel's P.R. efforts and its image abroad. "This is a major change in the psychology of the Israeli government," Meir told JTA.

Some think radical change cannot come swiftly enough for Israel — which, according to Jennifer Laszlo Mizrahi, founder and president of the Israel Project, is losing the battle for American hearts and minds.

After three years of intense media coverage of the Palestinian intifada, Americans tired of the seemingly endless violence increasingly are neutral on the Israeli-Palestinian conflict, she said.

A November survey for the Israel Project by Neil Newhouse found that 62 percent of 800 registered voters said the United States should remain neutral in the conflict.

While she calls the result "frightening," Laszlo Mizrahi said the survey found even more disturbing trends:

- Forty-seven percent of Republicans said the United States should side with Israel in the Mideast conflict, a feeling shared by only 22 percent of Democrats. In contrast, 49 percent of Republicans and 70 percent of Democrats believe the United States should remain neutral.

At the same time, Americans are increasingly willing to draw moral parallels between Palestinian terrorism and Israel's military responses, she said:

- Forty-five percent of American voters say Israel "acts much like the terrorists it is fighting," up from 39 percent in July.

"It's three years of the same message over and over again — Israel is shown in the media as being the aggressor and an oppressor," Laszlo Mizrahi said. "Eventually, people begin to believe it."

The Israel Project has sounded similar warnings since its inception more than a year ago.

In the summer of 2002, for example, an Israel Project survey of U.S. opinion leaders found that 54 percent drew moral parallels between Israel and the Palestinians, while 42 percent remained neutral in the conflict. This past July, a Gallup poll found that 32 percent of Americans believe the United States is too supportive of Israel, though that was down from 43 percent a year earlier.

Some Jewish leaders say they don't see any weakening of U.S. government support for Israel — yet.

Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations, said the Bush administration and Congress remain solidly behind Israel.

Still, Hoenlein described the Israel Project's poll as "an early-warning system" about public opinion, "one we take seriously."

Since the group's inception, Israel Project officials have tried to convince Israeli officials to reshape P.R. strategy to improve the

Jewish state's image abroad. Some observers say the fault lies primarily with Israel's failure to effectively manage news coverage, rather than the failure to win public approval for specific policies.

Some say Israel lacks the financial resources to launch a slicker P.R. campaign: The Foreign Ministry maintains only a \$9 million budget, which Meir said is inadequate.

For example, there are 500 foreign correspondents based in Israel, but only a handful of Israeli officials tasked with answering their questions, Meir said.

Meir would not disclose how much more money Foreign Minister Silvan Shalom is seeking to bolster P.R. efforts, though he said officials recognize that more pressing budget items must take precedence as Israel weathers an economic downturn.

Still, Meir said the Cabinet's decision Sunday to hear a draft report on the P.R. plan within 45 days signals a shift: The government is willing to consider how policy decisions affect Israel's international image.

To that end, Meir prefers to drop the traditional Hebrew term for P.R., "hasbarah" — which loosely translates to "explanation" — in favor of "public diplomacy."

"The word 'hasbarah' should disappear from our lexicon," he said. "It has an apologetic connotation."

Laszlo Mizrahi would go even further: She believes Israel should consider consolidating multiple military operations over several days into one operation so that they dominate just one news cycle.

Meir doubts that will happen, since "a democratically elected government makes policy" — in other words, the tail won't wag the dog in Israel's war on terrorism. Others say the fault for Israel's image lies at least partly with Israeli policy.

"You can explain settlement policy from 100 different points of view, but out in the real world, the fact that Israel continues to build settlements and illegal settlements are not taken down — the fact that this appears regularly in the press is a problem," said Rabbi Eric Yoffie, president of the Union for Reform Judaism.

Yoffie said Israeli leaders have failed to spell out a vision for the future. Meir and Laszlo Mizrahi also say Diaspora Jews can contribute more to improve Israel's image.

Last week, Laszlo Mizrahi e-mailed the heads of major American Jewish organizations about the Israel Project's latest poll, warning that American liberals and moderates are "starting to harden their hearts against Israel."

The Israel Project would like to do more pro-Israel advertising, similar to a campaign earlier this year aimed at so-called "opinion elites," legislators and journalists in the Washington area and voters nationwide.

Meir and Hoenlein agree that trouble signs are cropping up among the American left. The Conference of Presidents has launched its own effort to boost Israel's image, issuing a free daily news alert and increasing Israel trips for "opinion molders."

Other groups such as the American Israel Public Affairs Committee also are taking more lawmakers to Israel to see the situation firsthand. Still, the Israel Project found that when it comes to the average American Jew, much more can be done.

The November poll found that 52 percent of non-Jews have Jewish family or friends, but 74 percent of them haven't been approached by their Jewish friends to discuss Israel this year.

The Israel Project recently published *The Israel Project's Guide to Proven Pro-Israel Communications* to help American Jews make Israel's case more often and more effectively. □