

75th ANNIVERSARY YEAR

TUESDAY, JANUARY 14, 1992

VOL. 70, NO. 9

**ISRAELI-PALESTINIAN TALKS BEGIN,
BUT TOPIC OF DISCUSSION IN DISPUTE**
By David Friedman

WASHINGTON, Jan. 13 (JTA) -- While Israeli, Palestinian and Jordanian negotiators have finally moved out of the State Department corridors, they are still divided about what they should be talking about in the negotiating room.

The Israelis insist that negotiations with the Palestinians should focus on ways of establishing self-rule for the Arab inhabitants of the West Bank and Gaza Strip.

While agreeing that autonomy is the purpose of the talks, the Palestinians first want to discuss Jewish settlements in the territories and what they call human rights violations by the Israelis.

In addition, the Palestinians and Jordanians seem to be focusing on trying to prevent the Bush administration from approving guarantees for \$10 billion in loans sought by Israel over the next five years for immigrant absorption.

The administration and Israel are now discussing the loan guarantees, which are expected to be acted upon by Congress early this year.

If the United States does provide the guarantees, it would be a "direct affront to the integrity of the peace conference," Palestinian spokeswoman Hanan Ashrawi charged Monday.

Ashrawi's remarks were called "chutzpah," by Zalman Shoval, Israel's ambassador to Washington and a member of the Israeli team negotiating with the Jordanian-Palestinian delegation.

Shoval maintained the loan guarantees have nothing to do with the peace process, since Israel has promised that none of the money would be used in the territories.

Despite this disagreement, both Shoval and Ashrawi appeared pleased, at separate briefings Monday, that Israel and the Palestinians had finally ironed out their procedural dispute.

Syrian Talks Frustrating

Last month, the bilateral talks never progressed beyond a couch in a State Department corridor as the heads of the Israeli, Jordanian and the Palestinian delegations argued over the Palestinian demand that its delegation negotiate separately with Israel rather than together with Jordan, as Israel insisted.

Under the agreement, as outlined by Israeli chief delegate Elyakim Rubinstein, Israel will first meet with the joint delegation and then the Palestinians and Jordanians will split up for separate talks with Israel.

Each negotiating team will have 11 members, with the Palestinian delegation including two Jordanians and the Jordanian group having two Palestinians. Rubinstein said the joint delegation would reconvene as needed.

The agreement was reached by Rubinstein and the two Arab chairmen Monday morning. Afterward, they summoned their full delegations, which then continued to discuss procedural matters for six hours.

Ashrawi revealed that since the talks broke up last month, all sides have been exchanging ideas by fax.

Rubinstein said the three chairmen sat on the couch once more Monday for a picture.

"We have finally and hopefully left the corridor of the State Department and entered the corridor of diplomacy," Shoval said.

While the talks with the Palestinians and Jordan have begun, the negotiations with Syria, which got under way in December, appear to have bogged down.

"It is beginning to be an exercise in frustration," Yosef Ben-Aharon, head of the Israeli delegation to the Syrian talks, said after several hours of negotiations Monday.

"Syria continues to resist any kind of acknowledgement of Israel as a legitimate entity in the Middle East alongside the other Arab states," Ben-Aharon said.

He said that when the Israelis showed the Syrians a map used in their schools that does not show Israel, the Syrians replied that Israel was interfering in domestic issues.

The Syrians maintained that the only issue is Israeli withdrawal from the Golan Heights, Ben-Aharon said.

Talks with Lebanon were postponed Monday because of the illness of the Lebanese chairman. At the State Department, spokeswoman Margaret Tutwiler denied that this was a case of "diplomatic illness," to protest an Israeli raid against Lebanon last Friday.

How much could be accomplished this week remained unclear, as the Israelis planned to leave Wednesday night. But they left open the possibility that they would stay longer.

Shoval explained that the Israeli delegates had been here since Jan. 6 waiting for the Arabs, who did not appear at the negotiations until Monday, in protest over Israel's plan to deport 12 Palestinians from the administered territories.

**JEWISH GROUPS URGE BUSH TO PROCEED
'EXPEDITIOUSLY' ON LOAN GUARANTEES**
By Larry Yudelson

NEW YORK, Jan. 13 (JTA) -- Four months and a day after 1,000 Jews from across the country came to Washington to lobby their legislators to back loan guarantees for Israel -- only to be broadsided by President Bush -- the American Jewish community has fired off a letter reminding the president that the battle continues, albeit with a quieter, lower profile.

The letter, sent by the Conference of Presidents of Major American Jewish Organizations and signed by the heads of its 48 constituent organizations, urged the administration to "proceed expeditiously in its deliberations and its discussions with Israel and to support the necessary legislation to be enacted by Congress.

"We regard this vital humanitarian concern as a top priority," the letter said. "We are unanimous in our support for the loan guarantees."

The loan guarantees would enable Israel to borrow money at favorable rates from commercial banks. The money is needed to help meet the costs of absorbing an estimated 1 million Soviet Jewish immigrants over five years, at a cost of about \$50 billion.

Israel's Knesset has already budgeted \$2 billion for 1992, representing the first installment of the \$10 billion loan package that is being

sought over five years. Not receiving the loan guarantees would mean massive economic hardship, according to the head of the Bank of Israel.

In addition, the American loan guarantees would open the door to similar guarantees from Europe and perhaps Japan, which would bring in billions of dollars more in foreign capital.

The low-key letter from the Conference of Presidents stands in contrast to the national lobbying effort organized four months ago. The president responded by begging Congress to postpone discussion of the issue for 120 days, arguing that a debate at the time could endanger efforts to convene Middle East peace talks.

The 1,000 Jews who arrived in Washington to lobby for the guarantees on Sept. 12 were greeted by an impromptu White House news conference, in which Bush, pounding on the presidential podium, threatened to veto the loan package if Congress went ahead.

The president used language that struck some as having anti-Semitic overtones, protesting that he was just "one lonely guy" up against "some powerful political forces."

Bush subsequently apologized to the Conference of Presidents, but not before Congress and the Jewish community acceded to his demand for a 120-day delay on the matter.

Counting from Bush's statement, the 120-day period expired over the weekend. Actual consideration is expected to start soon after Congress reconvenes on Jan. 20.

JEWS MEET WITH INDIAN OFFICIAL ON NORMALIZING TIES WITH ISRAEL

NEW YORK, Jan. 13 (JTA) -- A meeting here last week between American Jewish organizational leaders and L.K. Advani, head of the Bharatiya Janata Party, India's main opposition faction, may have advanced the normalization of relations with Israel toward which New Delhi seems to be moving, albeit slowly.

The meeting, also attended by leaders of New York's Indian community, brought Advani together with a delegation of the Conference of Presidents of Major American Jewish Organizations and the Jewish Community Relations Council of New York.

Speaking for the group, Kenneth Bialkin, a former conference chairman who is president of the JCRC, thanked the Indian member of Parliament for his long advocacy of improved Israeli-Indian diplomatic ties.

Until now, relations between the two countries have been frigid, bordering on hostile. But India has recently approached the United States for an invitation to the international conference on Middle East regional issues opening in Moscow on Jan. 28.

The Indian regime is aware that all participants in the conference have to have normal diplomatic relations with Israel.

Bialkin expressed hope that normalization will occur soon. He cited the impending establishment of diplomatic ties between Israel and China as a precedent for India.

Advani lauded his government's decision to support last month's repeal of the 1975 U.N. General Assembly resolution branding Zionism as racism. India was one of the majority of Third World countries that voted for it in 1975.

The Indian legislator also urged the expansion of cultural, scientific and economic relations between Israel and India.

NEWS ANALYSIS: PORTUGAL'S ASSUMPTION OF E.C. CHAIR MAY MEAN BETTER TREATMENT FOR ARABS By Yossi Lempkowicz

BRUSSELS, Jan. 13 (JTA) -- The Arab-Israeli peace talks under way in Washington coincide with Portugal's ascension to the rotating chairmanship of the European Community's Council of Ministers, an office it will hold through June 30.

Not coincidentally, Israeli Foreign Minister David Levy flew Sunday to Lisbon for a two-day visit. The Egyptian foreign minister, Amr Moussa, was there last week.

Although temporary in nature, the chairmanship of the 12-member E.C. has endowed the Portuguese foreign minister, Joao de Deus Pinheiro, with power to influence its joint foreign policy, often referred to as European political cooperation.

Portugal, which with Spain joined the E.C. in 1986, has maintained a low profile on Middle East issues.

Although it established full diplomatic ties with Israel in 1977, after the Socialists led by Mario Soares came to power, it cannot be counted among the E.C.'s most pro-Israel members.

That reputation belongs to Holland and Denmark, whereas Portugal leans closer to the evenhandedness displayed by Germany and Belgium.

Traditionally, it has maintained good relations with the Arab states and with Israel.

"Neither the Arabs nor the Israelis have ever had problems with Portuguese diplomacy," Antonio Estaves Martins, who works for the Portuguese news agency Lusa, told the Jewish Telegraphic Agency here.

He believes Portugal's chairmanship of the E.C. at this juncture guarantees the Arabs that they will not receive "second-rank treatment" from the E.C., especially after the six-month chairmanship of Dutch Foreign Minister Hans van den Broek.

A 'Good Friend' Of Israeli Envoy

But Portugal has never sacrificed its good relations with Israel to pressure from Israel's foes. Its only concession was to hold off opening an embassy in Israel until last summer. That followed a visit to Jerusalem in May by Pinheiro, the first by a top-ranking Portuguese diplomat.

His trip was part of a Middle East tour that included Syria and Jordan. One of its objectives was to prepare Pinheiro for his upcoming role as E.C. chairman.

He told Israeli Prime Minister Yitzhak Shamir that he hoped that with the appointment of a Portuguese ambassador to Israel and by working with the Israeli ambassador in Lisbon, "we will find ways to real economic and technological cooperation between our countries."

According to informed sources, Pinheiro is a "good friend" of the Israeli ambassador, Collette Avital.

More recently, Shamir suggested to the European Parliament that Lisbon would be a good site for the bilateral talks involving Israel, the Arab states and the Palestinians.

Washington was selected instead. But Israel continues to press for a venue closer to the Middle East, and Lisbon could eventually become the site of the peace talks.

According to E.C. sources, Portugal is anxious "to try to do something" in the Middle East.

**ELECTORAL REFORM BILL DEAD FOR NOW
AS KNESSET RETURNS IT TO COMMITTEE****By David Landau**

JERUSALEM, Jan. 13 (JTA) -- The Kneset voted by a comfortable margin Monday to send a controversial electoral reform bill back to committee.

The measure, which provides for the direct election of the prime minister, is opposed by Likud, supported by the opposition Labor Party and has divided the smaller parties of the coalition.

It passed its second reading last week by a single vote and was up for its third and final reading Monday. Instead, the lawmakers voted 60-54 to return the draft legislation to the Likud-controlled Legal Committee, from where it emerged only after strong prodding by Labor.

Committee Chairman Uriel Lynn of Likud provided a letter stating that the bill would go before the plenum for its third reading no later than March 3.

But Lynn's refusal to read the letter into the Kneset record raised doubts. Advocates of the bill worried that despite the letter, Likud would contrive to keep the legislation buried indefinitely.

The measure probably would have been defeated if voted on Monday, because the Likud Kneset faction was bound by party discipline to oppose it. It was a single Likud dissenter, Deputy Minister Benjamin Netanyahu, who guided it back to committee, where at least it remains alive.

Netanyahu, who is attached to the Prime Minister's Office, had been one of Likud's fastest rising young stars until he clashed with his party over electoral reform.

He was warned by Kneset colleague Ariel Weinstein at a Likud faction meeting Monday that his "future would not be assured in the party" if he did not toe the line.

Netanyahu nevertheless rescued the reform bill with the help of three National Religious Party Kneset members who support it. The Kneset meanwhile struck down a series of opposition no-confidence motions stemming from the deeply troubling poverty statistics released last week by the National Insurance Institute.

Four motions introduced by the Citizens Rights Movement, the Center-Shinui Movement, Mapam and independent Charlie Biton were beaten by a 62-51 vote.

It followed an angry debate in which the opposition factions accused the government of spending billions on settlements in the administered territories at the expense of the swelling ranks of the poor.

Last week, the insurance institute reported that the number of Israelis living below the poverty line in 1990 reached 537,700, representing 16.9 percent of the population.

CHARGES AGAINST SS OFFICIAL DROPPED**By David Kantor**

BONN, Jan. 13 (JTA) -- After 10 years of deliberations, a court in Hanover last week dismissed proceedings against former SS official Heinrich Niemeier, on the grounds that the 69-year-old war crimes suspect is too ill to stand trial.

The state prosecution charged Niemeier with shooting Jewish inmates in the Janina-Gruba section of Auschwitz when the death camp was

being evacuated in 1945, in the final stages of World War II.

Meanwhile, the war crimes prosecution of Josef Schwammberger in Stuttgart is now in its third month.

The 79-year-old SS officer, who was extradited from Argentina in 1990, is charged with personally murdering dozens of Jews at concentration camps in Poland during the war and of complicity in the killings of thousands more.

Schwammberger is probably the last major Nazi war criminal who will be tried in Germany.

**ISRAELI FISH FARMERS CRYING FOWL
OVER A NEW BREED OF IMMIGRANTS****By Hugh Orgel**

TEL AVIV, Jan. 13 (JTA) -- The pelicans--whose beaks hold more than their bellies--are gorging on Israel's famous pond-bred fish, to the dismay of the farmers that market them. So succulent are the carp, in fact, that about 200 migratory birds apparently have decided to winter in Israel instead of their usual African haunts. All efforts so far to send them on their way have failed.

Firecrackers on the ground and rockets in the sky did not frighten them from their roosts around the fish ponds in the Beit She'an Valley.

The Nature Preserve Authority sought help from the air force, which provided light planes and helicopters. The idea was to herd the pelicans toward the coastal plain over which lie the flight paths of migrating birds.

But the stubborn fowl refuse to leave the source of their nourishment. "The birds have learned quickly and evolved a new strategy," a kibbutz pilot complained.

"We used to fly around a large flight, corralling them in the air like the cowboys on the plains and herding them where we wanted them, far away from the fish ponds.

"But they caught on to that. Now they scatter into small groups, and we have to fly around each one in small tight circles," he said.

Local fish farmers dubbed the pelicans sabras, the name applied to native Israelis. That is because "they have big mouths, they are stubborn and don't scare easily," one farmer explained.

ISRAELI CABINET WILL 'BUY AMERICAN'**By David Landau**

JERUSALEM, Jan. 13 (JTA) -- Without benefit of a visit by President Bush and the heads of Detroit's "Big Three," Israel is doing its bit to help America's ailing automobile industry.

Plans are afoot to change the official cars provided to Cabinet ministers from the expensive Swedish-made Volvo 740s to a mid-range American model, make as yet unspecified.

The Volvos cost over \$48,000 new, compared to \$35,000 for the American car. But Israeli officials see more than economic benefits from the switch.

They hope the United States will appreciate the gesture. While the number of cars involved is small, the sight of government ministers driven in American-made cars could stimulate public demand for more U.S. imports.

Israel's three senior ministers are already driven in custom-built American cars. The Finance Ministry said the American cars under consideration for the rest are much less elaborate.

**JEWISH AGENCY REOPENS OFFICE
IN WAR-TORN CAPITAL OF GEORGIA**
By Gil Sedan

JERUSALEM, Jan. 13 (JTA) -- The Jewish Agency is back in the aliyah business in Tbilisi, capital of the now-independent republic of Georgia, formerly part of the Soviet Union.

The Jewish Agency's office in the City Hall overlooking the central square was in the path of recent fighting, as rebels sought, then succeeded, to unseat President Zviad Gamsakhurdia.

The Jewish Agency emissary in Tbilisi, Mikhael Krichi, was forced to relocate on Jan. 3, opening a makeshift office in a private apartment.

Gamsakhurdia, who was elected president of the republic with 87 percent of the vote only nine months ago, fled the capital on Jan. 6.

The Jewish Agency has since returned to its old premises to resume processing requests for immigration to Israel.

But hundreds of applications for emigration documents by Georgian Jews were burned when the Interior Ministry building in Tbilisi was destroyed in the fighting, Jewish Agency Chairman Simcha Dinitz disclosed here this week.

But the Jewish Agency has reached an agreement with the Georgian government for an Interior Ministry official to work in the Jewish Agency office to expedite the requests of those Jews for whom permission to leave is urgent.

About 200,000 Jews live in the five Moslem republics that were part of the defunct Soviet Union. According to the Jewish Agency, they include 130,000 Ashkenazim whose mother tongue is Russian, 40,000 Bukharan Jews and 30,000 Jews of the mountain region.

The Jewish Agency at present has a total of 11 emissaries in the Moslem regions. Five are in Tashkent and Samarkand, in Uzbekistan; two are in Baku, Azerbaijan; two in Dushanbe, Tajikistan; and one each in Alma-Ata, Kazakhstan, and in Kyrgyzstan.

Dinitz has instructed the Jewish Agency to increase its activities in those regions. That includes arranging direct flights to Israel from Tashkent, setting up permanent offices there and in Alma-Ata, and dispatching special emissaries to conduct aliyah and cultural activities.

Dinitz said the Jewish Agency would give preference to Jews wishing to emigrate from those areas.

**ISRAELI FIRM EARMARKS \$5 MILLION
TO TAP IDEAS OF SOVIET SCIENTISTS**
By Yehonathan Tommer

JERUSALEM (JTA) -- Israel Aircraft Industries has announced establishment of a \$5 million research and development fund to tap innovative ideas by scientists and engineers among Soviet immigrants.

With matching funds of another \$5 million from the Ministry of Commerce and Industry for new business incentives over a period of three years, available funds over the next three years could total \$10 million, the ministry's chief scientist, Yigael Erlich, told the Jewish Telegraphic Agency.

Listed among IAI's preferred fields are civil, space, aircraft and airborne systems, radars and communications, navigation, artificial intelligence, solar and wind energy, medical equipment and ecological systems.

"Dozens of proposals have been received and

more are flowing in," said IAI spokesman Philip Hermann.

"We are carefully screening them for technical feasibility and commercial viability, and individuals whose ideas successfully pass the screening will be hired for specific periods in order to develop the selected products," Hermann said.

Welcoming the IAI initiative, Soviet Jewry Zionist Forum spokeswoman Deborah Lipson, said "I hope the fund will not be a fly-by-night affair, but will grow to become a permanent financial resource to tap and commercialize the many excellent ideas brought to Israel by Soviet scientists and patent innovators."

Herb Ostrov, managing editor of the English-language weekly Israel Business Today, said, "More than 10 government and private organizations are funding professional job creation in Israeli industry. However, this is the first time a major Israeli industry has initiated such a fund."

"At long last, Israeli industry is beginning to accept financial responsibility in the national burden of professional olim job creation," Ostrov said. "Hopefully, other industries will follow suit."

The director of Israel Business Forum, Meir Dayan, said that since May, 128 small-business ventures initiated by Soviet olim have been matched with foreign investors.

That is in addition to another 250 new veteran Israeli enterprises. Most ventures employ high technology.

Of 57 new immigrants who responded to a survey sponsored by the Zionist Forum, eight had obtained investors, seven had been accepted by investors and another 11 were in various stages of negotiation with backers.

Some 200 overseas and 200 Israeli businesses are scheduled to participate in the Third Israel Business Forum conference to be held in Jerusalem from June 15 to 18.

**ETHIOPIAN OLIM, EXCELLING AS RUNNERS,
PLACE ISRAEL CLOSER TO OLYMPIC MEDALS**
By Hugh Orgel

TEL AVIV (JTA) -- Immigrants from Ethiopia, excelling as runners and tolerant of pain, could bring Israel closer to Olympic medals.

A select group of Ethiopian men between the ages of 22 and 29, all of whom have completed army service, are undergoing intensive competitive training under a program being conducted by the North American Conference on Ethiopian Jewry, with the cooperation of the Defense Ministry, assorted sports clubs and various other official bodies.

There are high hopes for the Ethiopian Jews, who are believed to possess the same tolerance for pain as athletes from East Africa, who have long dominated long-distance running in international meets.

The program, which operates from the Ramat Efal Kibbutz Seminar, on the outskirts of Tel Aviv, also offers academic studies for the young immigrants, most of whom have been in Israel for about 10 years.

They are also being prepared for high school matriculations and university entry-level standards.

Ramat Efal students have already won local marathons and other long-distance races, holding out hopes for Israeli medals at future Olympic games.