

**U.S. JEWISH LEADERS WELCOME  
RABIN'S CONCILIATORY REMARKS**

NEW YORK, Jan. 31 (JTA) -- American Jewish leaders have applauded a letter from Israeli Prime Minister Yitzhak Rabin in which he reaffirmed the importance of the financial contributions of Diaspora organizations to the State of Israel.

"We welcome the communication we have received from Prime Minister Rabin which reasserts the importance of the partnership between the State of Israel, its people and Diaspora Jewry," read a joint statement issued by the leaders of the Council of Jewish Federations, the United Jewish Appeal and the United Israel Appeal.

The statement was issued in response to a letter Rabin wrote last week to the three organizations clarifying Israel's appreciation of the groups' fund-raising efforts on behalf of the Jewish state.

Rabin addressed the letter to the CJF, UJA and UIA after Israel's deputy foreign minister, Yossi Beilin, stated earlier in January that Israel has a strong economy and does not need Diaspora "charity."

Beilin's remarks, made in front of a recent gathering of the Women's International Zionist Organization, caused a commotion both in Israel and the Diaspora.

Beilin subsequently was taken to task by Rabin, who defended the role of Diaspora Jewish organizations and their appeals for Israel.

In a letter dated Jan. 24, Rabin made clear to the leaders of the three American Jewish organizations that he in no way shares Beilin's views.

In response, the Jewish leaders on Monday conveyed to Rabin their appreciation of his comments.

**'Reaffirming Our Dedication'**

The joint statement was issued by CJF President Maynard Wishner, UJA Chairman Joel Tauber and UIA Chairman Norman Lipoff, at a CJF meeting in Fort Lauderdale, Fla.

"We have informed (Rabin) that we are reaffirming our dedication to our participation in the building and further development of the Jewish state and the absorption of the continuing hundreds of thousands of immigrants.

"As indicated in the letter from the prime minister, we recognize the important role of Israel in Jewish identity in the Diaspora. We are committed to the continuation of our partnership in this critical historic enterprise," they said.

In his letter, made available to the Jewish Telegraphic Agency, Rabin referred to "recent statements made in Israel about the role of Jewish fund-raising campaigns overseas.

"The central role of the State of Israel is to serve as a sanctuary for Jews from distressed communities, as well as to present a challenge for Jews from developed countries who wish to build their homes here," he wrote.

The immigrations from the former Soviet Union, Ethiopia, Yemen and other countries "have placed and are placing before the State of Israel, the Jewish people and the various campaigns one

of the greatest Zionist challenges since the state was established," Rabin wrote.

"I believe that the Jewish organizations in the Diaspora have a very important role to play in strengthening the Jewish and Zionist infrastructure of Jewish communities, and in the building and development of Israeli society.

"The involvement of Diaspora Jewry with Israel, its problems and accomplishments, is the key to reinforcing the relationship between us and deepening the connection of Diaspora Jews with Israel," Rabin wrote.

Israeli Foreign Minister Shimon Peres has already distanced himself from Beilin's remarks.

In several recent speeches and media appearances, Beilin has suggested that Israel's current economic and political strength made the traditional form of United Jewish Appeal-Federation fund raising obsolete.

He recommended dismantling the present UJA-to-Jewish Agency funding structure, in which the UIA serves as a middleman. He suggested that the funds raised would be better used to finance Jewish education in the Diaspora.

**CABINET REJECTS HEALTH REFORM,  
LEADING RAMON TO ANNOUNCE RESIGNATION  
By David Landau**

JERUSALEM, Jan. 31 (JTA) -- Israel's Cabinet has torpedoed a proposed health care reform measure, heralding a defeat for the young Turks in the ruling Labor Party and opening another round of coalition controversy.

In response to the Cabinet's decision, Health Minister Haim Ramon, who strongly backed the reform measure, announced he would resign his post next week.

The proposed legislation, which had wide support across party lines, would have mandated universal health insurance.

But it aroused the wrath of the Labor Party old guard. It would have broken the link between two of the party's longtime sources of influence, the Histadrut trade union and Kupat Holim Clalit, the country's largest health maintenance organization.

The national conference of the Labor Party, convened in Tel Aviv on Sunday, voted overwhelmingly to back a compromise proposal rather than Ramon's plan.

The Cabinet endorsed the Labor decision on Monday. Three ministers from the left-wing Meretz bloc supported Ramon in the Cabinet vote.

Neutral observers said the fight, and the result, could cause the party major damage in future elections.

Ramon, in an emotional speech from the podium of the Labor Party conference, shouted above the booing throng: "This will cost us dearly. You have been warned!"

Labor stalwarts accused Ramon of seeking to cripple the powerful Histadrut trade union confederation with his plan.

Some 70 percent of Israelis are insured under Kupat Holim Clalit. That insurance automatically makes them members of the Histadrut, and part of the premium they pay goes to Histadrut coffers.

Ramon argues, however, that the Kupat

Holim-Histadrut nexus is the single most potent cause of Labor's unpopularity and also the major cause of Kupat Holim's inefficiency.

But Kupat Holim's proponents say the Labor-linked health organization services areas and sectors that are "uneconomical," out of socialist and egalitarian principles that would be scrapped under Ramon's bill.

After much wrangling, Rabin moved away from supporting Ramon to back a Histadrut-sponsored compromise. This plan would leave part of the premium-collection machinery in the hands of the Histadrut.

The Labor decision is due to be pushed through the Knesset this week. But Likud leader Benjamin Netanyahu declared Sunday that his party was backing a bill identical to that of Ramon's and hoped to secure a majority for it.

The Meretz bloc, at the opposite end of the political spectrum from the Likud, is considering voting for the health reform package, even under Likud sponsorship.

Ramon, 46, is considered one of the most promising younger figures in the Labor Party. It is not clear whether Rabin would offer him an alternative Cabinet post.

#### CONGRESSMAN CHARGES TALBOTT WITH ANTI-ISRAEL POSITION

By Deborah Kalb

WASHINGTON, Jan. 31 (JTA) -- A U.S. congressman and some members of the Jewish community have called on President Clinton to withdraw the nomination of Strobe Talbott to be deputy secretary of state, saying Talbott is anti-Israel.

But the sense among others in the organized Jewish community is that while there are some questions about Talbott's writings on Israel during the years he served as a Time magazine correspondent, there will not be a concerted effort to fight his nomination.

In addition, some Jewish officials have had warm praise for Talbott's actions in his current capacity as the State Department's ambassador-at-large with a special focus on the former Soviet Union.

In late December, the president picked Talbott, an old friend, for the key No. 2 slot at the State Department.

On Monday, Rep. Jim Saxton (R-N.J.) and Mort Klein, president of the Zionist Organization of America, held a press conference where they called for the withdrawal of Talbott's nomination.

"It concerns me that the Clinton administration would put forth a name for this position when Talbott clearly has a documented anti-Israel bias," Saxton, who is seen as pro-Israel, said in a statement.

"He has, over many years, demonstrated a lack of understanding for the threats that Israel faces, and tends to view Israel as the prime source of most problems in the Middle East," Klein said in his statement.

Klein released a paper Monday quoting from Talbott's writings on the Middle East during the period 1981 to 1991, when Talbott worked for Time.

One passage he cited, from an article in the magazine's Sept. 7, 1981, issue, read: "If Israel continues to take international law into its own hands as violently -- and as embarrassingly to the U.S. -- as it did in Baghdad and Beirut, then the next display of U.S. displeasure" might "include

selective cutbacks in American military aid."

The article appeared shortly after Israel dropped a bomb on an Iraqi nuclear reactor.

The National Jewish Coalition, a group promoting Jewish Republican activity, also criticized Talbott for his views on Israel.

The Republican group based its criticism on Talbott's writings in Time, and on published criticism of Talbott in Near East Report, a publication of the American Israel Public Affairs Committee.

The comments in Near East Report were published before Talbott entered government service.

"We have every confidence that Ambassador Talbott will be fully supportive of the policies of the Clinton administration that have strengthened the U.S.-Israel relationship and have enhanced prospects for Middle East peace," said Steve Grossman, president of AIPAC.

Others in the Jewish community, however, said Monday that while they had some concern about Talbott's past writings, they had heard that in more recent months he had changed his views somewhat on Middle East issues.

A Russia specialist, Talbott has been closely involved in U.S.-Russian relations in his current State Department post.

His new position will bring him into contact with a broader range of issues.

Mark Levin, executive director of the National Conference on Soviet Jewry, said Monday that his group has worked well with Talbott.

"He has been personally interested in our concerns, and has ensured that our concerns have been part of any meetings" between American and Russian officials, Levin said.

Rabbi Boruch Shlomo Cunin of Chabad, who has worked repeatedly with Talbott to retrieve the collection of Lubavitch books from the Russian State Museum, had only the warmest praise for Talbott.

"Strobe Talbott is a sensitive human being who has been fully involved at the highest level of our government to help free the Lubavitcher rebbe's books," the rabbi said.

The State Department had no comment Monday on Saxton's news conference.

Talbott's confirmation hearings are scheduled for some time in February.

#### RABIN UPDATES AMERICAN JEWS ON TALKS

By Larry Yudelson

NEW YORK, Jan. 31 (JTA) -- In a conference call with leaders of American Jewish organizations on Monday, Prime Minister Yitzhak Rabin said "there was some progress" made this past weekend toward an agreement for implementing the Palestinian self-rule accord.

His characterization of the talks in Switzerland between Israeli Foreign Minister Shimon Peres and Palestine Liberation Organization Chairman Yasser Arafat was more cautious than the initial burst of optimism that followed the weekend meeting.

Rabin urged patience.

He said an agreement will take time, according to participants in the call, including members of the Conference of Presidents of Major American Jewish Organizations.

The agreement being negotiated between Israel and the PLO, containing the details of the self-rule plan agreed upon last September, will be at least 80 pages long, according to Rabin.

## JEWS AND EUROPEAN LEADERS MARK AUSCHWITZ LIBERATION WITH WARNINGS

By Michel Di Paz

PARIS, Jan. 31 (JTA) -- Jewish communal leaders and members of the European Parliament gathered last week at the site of the Auschwitz concentration camp to commemorate the 49th anniversary of the camp's liberation in 1945.

The ceremony also became an occasion to condemn the rising wave of ultranationalism, anti-Semitism and xenophobia in Europe.

Among the 300 Jewish leaders and parliamentarians attending the Jan. 27 commemoration were Jean Kahn, president of the European Jewish Congress; Israel Singer, secretary-general of the World Jewish Congress; Shevach Weiss, the speaker of Israel's Knesset; and Simone Veil, a senior member of the French Cabinet.

Both Weiss and Veil are survivors of the concentration camps.

A representative of the Gypsy Holocaust survivors also attended. He expressed gratitude to the EJC for including his people at the event.

The EJC, which is the coordinating body for 28 Jewish communities in Europe, co-sponsored the event with the European Center for Research and Action on Racism and Anti-Semitism.

In addition to commemorating the liberation of Auschwitz, the ceremonies focused on building awareness of the gradual development of anti-democratic trends in Europe.

Those present at the commemoration signed a joint declaration against racism and xenophobia, vowing to fight all type of racist violence.

Among those signing the declaration were Egon Klepsch, president of the European Parliament, and the heads of the Belgian, French, German, Italian, Polish and Israeli parliaments.

Remarks included expressions of horror at the continuing bloodletting and "ethnic cleansing" taking place in the former Yugoslavia.

A Dutch parliamentarian, Wim Deetman, told reporters, "Xenophobia is spreading its ugly arms around Europe again. We must attack xenophobia at its roots."

### Apprehension At Possible Zhirinovsky Visit

Weiss lashed out at Russian ultranationalist leader Vladimir Zhirinovsky and expressed the hope that he would not be permitted to visit the site of the former concentration camp.

The outspoken Zhirinovsky, whose extreme right-wing Liberal Democratic Party made an unexpectedly strong showing in Russian elections in December, has been ejected from or declared persona non grata by several countries.

He plans to visit Poland this week and indicated that he would like to visit Auschwitz.

Kahn, who is the leader of the secular French Jewish community and also presides over the EJC, said a visit by Zhirinovsky to Auschwitz would be "an intolerable provocation."

He said the EJC had asked the Polish authorities to emulate other governments by barring Zhirinovsky.

Weiss spoke of the paradox of contrary movements gaining ascendancy in Europe now.

On one hand, "you have (the) organization of a democratic Europe," of which the European Union is the prime example. But "on the other side there is Zhirinovsky," Weiss said.

"Under communism, a dictator like (Adolf) Hitler was impossible." Democracy allows "legalization of anti-democratic movements," he said.

In a speech delivered the day before the commemoration, Kahn referred to Poland as "the frozen lake of Jewish blood" and called on European leaders to take concerted action to ensure that a Holocaust never occur again.

"Europe must face its memory, and we have to pledge that never again on this European land are we to assist in such a tragedy," Kahn said.

After visiting Auschwitz, the participants at the commemoration ceremonies went next to the site of the former Birkenau concentration camp, where France's chief rabbi, Rene Sirat, said Kaddish.

During the visit to Birkenau, Veil, a former inmate there, entered one of the barracks. When she reached one particular place, she said, "This was my corner," and cried.

(Contributing to this report was JTA correspondent Joseph Kopel in Brussels.)

## PRESS COUNCIL BACKS PAPER'S RIGHT TO REJECT HOLOCAUST-DENIAL LETTERS

By Jeremy Jones

SYDNEY, Australia, Jan. 31 (JTA) -- The Australian Press Council has upheld a newspaper's right to reject letters from Holocaust-deniers.

Australian Holocaust-denier John Bennett had filed a formal complaint with the council claiming that the Melbourne daily newspaper The Age had failed to publish letters and articles by supporters of British writer David Irving that purported to "prove" the Holocaust never took place.

Irving, a leading Holocaust-denier, has been a much-discussed figure here, following the Australian government's preliminary refusal to grant him a visa to enter the country.

The Age defended its decision not to publish three letters and one article on the grounds that they were not relevant to the issue of the government's unwillingness to grant Irving a visa.

That issue, said The Age, was what was being debated in its columns and letters section, not the question of whether the Holocaust took place.

The Age also argued that while it does not exercise political censorship, it has no responsibility to allow individuals "to put (forth) views which a large number of community members would regard as racist or offensive."

Bennett also complained to the council that The Age had allowed people to be described as "liars" and "loonies" without publishing material that would allow readers to make independent assessments of the issues involved.

But the council determined that the descriptions were not out of order, given "the robust subject matter."

The articles and letters supporting Irving had been submitted to The Age by the Australian Civil Liberties Union, a small organization that has no affiliation with recognized civil liberties organizations.

The Press Council, in making its judgment, took into account the fact that Irving, as a person "under attack," had been afforded an adequate right of reply by the newspaper, and that the paper had published views both favoring and opposed to the government's initial refusal to grant Irving a visa.

Irving has claimed that the government is trying to "weasel its way out" of granting him a visa by sending him a questionnaire on the purpose of his visit. The government said it is waiting for this to decide if it will grant a visa.

## HADASSAH SET TO SKIP ELECTIONS FOR WORLD ZIONIST ORGANIZATION

By Larry Yudelson

NEW YORK, Jan. 31 (JTA) -- Hadassah is set to make its getaway from the political arena of the World Zionist Organization.

The women's organization seeks to retain a seat at the Zionist table without continuing to compete in the elections held periodically to divide power and posts within the WZO.

The WZO Executive last week gave preliminary approval to such a change in Hadassah's status within the Zionist organization, a move that needs the endorsement of the broader Zionist General Council, which meets in June.

This comes as the structure of the Zionist organization is being increasingly reassessed.

Hadassah has repeatedly charged that the elections no longer make sense in an era when Zionism is more about philanthropy than ideology.

The WZO itself commands a \$30 million budget, and holds half the power in the United Jewish Appeal-funded Jewish Agency for Israel, which has a \$500 million budget.

Zionist elections were first instituted by Theodor Herzl, as he transformed the Jewish dream of the ingathering of the exiles into a representative political movement.

More than 200,000 American Jews cast ballots in elections before the 1987 Zionist congress.

In those elections, the old-time Zionist movements saw their representation sink while groups affiliated with Reform and Conservative Judaism rose.

### Radical Change Likely At WZO

In changing its status, Hadassah may, as cynics claim, be seeking to stanch its declining power.

At the same time, it will be sending yet another signal that the approaching centennial of the Zionist movement in 1997, and the jubilee of the State of Israel a year later, are likely to witness a radical change in the structure of the WZO.

Already, the WZO has decided to establish a committee to look into such broad-sweeping issues.

And in New York, the American Zionist Movement this month formed its own committee to study the future of the WZO and map out an American proposal for new directions.

"Hadassah is not pursuing independent status for the sake of obtaining patronage, position or fund-raising," President Deborah Kaplan said at the WZO executive meeting, her spokesman said.

Under the proposal, which awaits approval from the Zionist General Council, Hadassah will have a fixed representation in the WZO, as do international organizations such as the Women's International Zionist Organization. The size of the representation has yet to be decided.

At the Association of Reform Zionists of America, which has in the past sparred loudly with Hadassah over the election question, Executive Director Ammiel Hirsch said his group supports the proposed change in Hadassah's status.

This, however, assumes that the women's group's new fixed representation does not decrease the size of the American Zionist delegation that does go up for elections, and that Hadassah does not vote on matters relating to personnel.

Currently, international organizations with fixed representation in the WZO, such as B'nai B'rith, are not allowed to vote on matters of personnel, with the exception of WIZO, which does have the right to vote on those matters but refrains from so doing.

(Contributing to this report was JTA correspondent Cynthia Mann in Jerusalem.)

## IT SEEMS LIKE OLD TIMES IN ISRAEL AS FLATTO-SHARON, JAPHET TO BE TRIED

By Hugh Orgel

TEL AVIV, Jan. 31 (JTA) -- It seemed like old times here as two men around whom scandals revolved in the 1970s and 1980s once again appeared in the headlines and might soon be brought to trial.

Former Knesset member Shmuel Flatto-Sharon, a high-profile French-Israeli businessman, was arrested last Tuesday night on suspicion of large-scale fraud.

And Ernst Japhet, the former Bank Leumi chairman and managing director, who slipped out of Israel more than a decade ago and has since been living in New York, agreed to return to Israel to stand trial for his part in the alleged manipulation of bank shares.

French police officials were in Magistrate's Court last Wednesday to watch the proceedings as Flatto-Sharon was ordered detained in police custody for another 15 days.

The French have sought his extradition ever since Flatto-Sharon slipped out of France in the mid-1970s, just as officials were seeking to try him for allegedly defrauding thousands of clients out of millions of dollars deposited with his investment and pension companies.

He was granted Israeli citizenship just when it appeared that the French would be granted their extradition request. Using the publicity surrounding the extradition request, Flatto-Sharon successfully ran for the Knesset in 1977. But he was later convicted of bribing voters and was sentenced to nine months in jail in May 1981.

His current detention is reportedly based on his allegedly illegal operation of a diamond business with both French and Israeli connections. Paris police are reported to have evidence against him for fraud in connection with the operation of other companies in which he has participated.

Japhet, who has been out of reach of Israeli police seeking to detain him in connection with Israel's bank share scandal of 1983, last week signaled his willingness to return to Israel and stand trial.

Before his resignation from Bank Leumi just before the bank scandal broke, Japhet was already one of the highest-paid officials in Israeli business and banking.

He is reported to have manipulated the Bank Leumi board he headed into granting him a multi-million-dollar golden parachute -- a hefty severance payment -- before he left his position. Japhet, now 71, has never been back since leaving Israel in 1983. Israel has sought his extradition but his attorneys have always managed to postpone implementation of the requests.

But after extensive discussions between the Israeli authorities and Japhet's lawyers here and New York, a deal was struck in which he agreed to return. Japhet has reportedly agreed to post \$1 million bond to ensure he appears in court to answer the charges against him, which are like those being heard against other bank officials.