

**TALBOTT CONFIRMED BY U.S. SENATE;
OPPOSING JEWISH GROUPS STILL PLEASED**
By Deborah Kalb

WASHINGTON, Feb. 22 (JTA) -- Despite his winning confirmation by the Senate on Tuesday, Jewish groups opposed to the nomination of Strobe Talbott to be deputy secretary of state took pride in bringing his controversial record on Israel to the national agenda.

Talbott had been expected to be confirmed to the key No. 2 post, and he was, by a 66-31 heavily partisan vote Tuesday evening. The opposing votes came from Republicans.

The vote came after several weeks of controversy over Talbott's attitude toward Israel, a debate that sharply split the Jewish community.

Groups opposing the nomination, including the Zionist Organization of America and the National Jewish Coalition, charged that Talbott was anti-Israel.

They based their charges on Talbott's writings in the 1980s and early 1990s while he was a Time magazine correspondent, writings which the two Jewish groups compiled and actively circulated on Capitol Hill.

These opponents expressed pleasure Tuesday night that they had brought Talbott's writings to the attention of the Senate.

There was "a much greater number of senators voting against Strobe Talbott than anyone ever expected," said Morton Klein, president of the ZOA.

Klein said his group was "proud" that the Senate "took our concerns" about Talbott "very seriously."

Matt Brooks, executive director of the National Jewish Coalition, a Republican group, also said his group was "quite happy with the result."

He added, though, that he was "disappointed" that more Democrats had not opposed Talbott.

Other Jewish groups, however, maintain that Talbott does understand the close relationship between the United States and Israel, and that he would not work to undermine it.

The National Jewish Democratic Council and Americans for Peace Now have voiced support for Talbott, as has Steve Grossman, president of the American Israel Public Affairs Committee.

Concerns About Talbott's Writings

Some of these supporters admitted to having had concerns about some of Talbott's writings, but said they decided he would still do a good job as deputy secretary.

Monte Friedkin, chair of the Jewish Democratic group, said through a spokesperson Tuesday night that he believed "people have an opportunity to learn from their mistakes," and that he thought Talbott would do an "excellent job."

Gail Pressberg of Americans for Peace Now said after the vote that she felt the opposition to Talbott in the Senate had more to do with his positions on issues relating to the former Soviet Union than to the Middle East.

The votes against Talbott send "a message to the administration on its former Soviet Union policy," Pressberg said.

Talbott has been criticized for being too close with Russian President Boris Yeltsin and out of touch with the mood in the rest of the country.

The battle took on greater importance because of the sense here that Talbott, a close friend of the president, could be in line to be secretary of state if President Clinton grows dissatisfied with the performance of Secretary of State Warren Christopher.

But Jewish groups opposing Talbott said Tuesday night that their actions in circulating his writings on the Hill would make it harder for Talbott to be confirmed to the top job one day.

Senators debated Talbott's nomination for much of the day Tuesday. The debate touched upon Talbott's views of Israel and Russia, among other subjects.

At his confirmation hearings Feb. 8, Talbott said he had changed his views since he wrote one particular 1981 Time article widely viewed as critical of Israel.

The article in question said that American Jews "wield influence" beyond their numbers.

It also argued that "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 piece appeared in Time shortly after Israel bombed an Iraqi nuclear reactor.

Talbott received support at his confirmation hearings from Sen. Howard Metzenbaum (D-Ohio), who introduced him before the committee.

He also has the backing of Israeli Deputy Foreign Minister Yossi Beilin, who said recently, "If there are people who are criticizing this nomination, they are not speaking on behalf of my government."

In addition, Talbott has garnered praise from some Jewish officials who have worked with him in his current capacity as the State Department's ambassador-at-large with special responsibilities for the former Soviet Union.

**NJCRCAC VOTES OVERWHELMINGLY
TO SUPPORT MIDEAST PEACE PROCESS**

By Debra Rubin
MetroWest Jewish News

NEW ORLEANS, Feb. 22 (JTA) -- Israel's peace policies received a loud endorsement from a major umbrella organization of American Jewry this week.

The National Jewish Community Relations Advisory Council voted Monday to "strongly support" the peace process, after an effort to torpedo the resolution received only three votes from the nearly 200 community relations councils and the 12 national agencies that comprise the council.

The final resolution passed unanimously. "This seems to us such a rare opportunity

and moment to express support for the democratically elected government of Israel's position," said Leonard Cole, a vice chair of the organization, who introduced the resolution.

The NJCRAC vote was seen as significant by long-time advocates of the dovish policies underlying the current peace process, since the NJCRAC plenum has in recent years hosted the most free-wheeling debate on Israeli policies under a broad American Jewish communal umbrella.

In those past debates, the balance of power was usually held by people worried about the policies of right-wing Likud governments, but convinced that American Jews should not meddle in internal Israeli affairs. With government policy now in the hands of the doves, supporting the government was easy.

"After years of saying we should support the government of Israel, it would be the height of hypocrisy for us now to oppose it," said David Luchins, a member of the NJCRAC executive committee and representative of the Union of Orthodox Jewish Congregations of America.

The virtually unanimous support was particularly striking because the day before the vote was taken, Benjamin Netanyahu, head of the opposition Likud Party, made an hour-long address attacking the policies of the government of Prime Minister Yitzhak Rabin.

Netanyahu's speech followed an address by Yossi Beilin, Israel's deputy foreign minister.

This was the first time that a spokesman for the Israeli opposition spoke at a central NJCRAC forum, on par with a government figure.

"We got a call from Likud asking if they could send a senior representative to the plenum," explained Lawrence Rubin, executive vice chairman of NJCRAC. "The culture of NJCRAC is inclusive and deliberative, and expressive of all points of views."

Rubin said the conference planning committee must decide if an invitation to an opposition leader will be extended for future conferences. "It would be my recommendation it be done," he said.

A 'Very Healthy' Debate

"I think it was very healthy that we had a debate here reflecting the debate taking place in Israel," said Lee Adlerstein, who chairs the Community Relations Committee of the MetroWest Commission on Jewish Security and the Bill of Rights.

Although both Israeli leaders were greeted warmly, the standing ovation was reserved for Beilin.

Many delegates agreed that Netanyahu was the more articulate speaker, but were not persuaded by his hard-line remarks.

"The resolution's passage reflects a strong consensus within the American Jewish community that the peace process is a very good thing," said Adlerstein.

"While we don't want to tell the Israelis what to do to protect their security, the community wants to see negotiations move forward," said Adlerstein.

"People in the community who are opposed to the peace process found themselves in a very small minority," he added.

One of the strategic goals outlined in the

resolution is an educational campaign to be mounted by the Jewish community to broaden support for the peace talks and for U.S. involvement in the process.

The resolution also called for the United States to "deepen the strategic alliance with Israel and maintain current levels of foreign aid"; press Arab countries to end the economic boycott of Israel; and monitor Palestinian compliance with its agreements with Israel.

NJCRAC also applauded the Clinton administration for its role "both diplomatically and economically in facilitating the peace process" as well as the contributions made by the Egyptian government.

In their speeches Sunday, both Beilin and Netanyahu said the Israeli people, not the government, should make the final decision on the peace agreements.

Beilin said this should be accomplished with a national referendum; Netanyahu, noting the Knesset must first approve a mechanism for such a referendum, advocated new elections.

"More and more people are understanding the territories cannot prevent another war," said Beilin. "We do not need any more wars with Syria in order to understand that Syrian missiles are closer to us than the missiles of Iraq and no amount of land will ever prevent those missiles from flying over us."

Netanyahu disagreed with this assessment, maintaining that land is crucial for security. He said he did not believe it was necessary for Israel to relinquish one inch of land to achieve peace.

Israel, he said, must remain on the Golan Heights. After 1967, when Israel captured the Golan Heights from the Syrians, "instead of them being on top of us, we got on top of them topographically. We've now had a period of 21 years in which nothing has happened on the Golan Heights," he said.

Israel Took A 'Bold Decision'

In the West Bank, he referred to the "stone wall" of the Judean Hills preventing Jordan from attacking Israel. "We will not have peace if you give up a stone wall," he said.

The Labor Party speaker took a different approach, maintaining that the status quo cannot remain.

"We can really live in a very different world than the one in which we live today," said Beilin. "After many years of missed opportunities, the government of Israel took a bold decision. We talked to the (Palestine Liberation Organization) and very soon, here will be autonomy in Gaza and Jericho."

The deputy foreign minister said he believes this will come in the form of a Jordanian-Palestinian federation. As for Syria, he said the extent of the withdrawal from the Golan will depend on President Hafez Assad and his willingness to negotiate with Israel.

Delegates also heard from Dennis Ross, special Middle East coordinator for the U.S. State Department, who emphasized that time was a crucial factor in the peace process.

It is important, Ross said, "to balance the concept of getting it right, with the concept of getting it right in a reasonable amount of time."

(JTA staff writer Larry Yudelsohn in New Orleans contributed to this report.)

STOCK MARKET WOES IN TEL AVIV MAY SCARE POTENTIAL NEW INVESTORS

By David Landau

JERUSALEM, Feb. 22 (JTA) -- The recent ups and downs of the Israeli stock exchange -- which have temporarily knocked the peace process off the front pages here -- have given investors here and abroad the jitters, just when Israel is trying to lure investors with the promise of peace in the region.

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On Monday, losses at the Tel Aviv Stock Exchange averaged 5 percent, but by Tuesday the market posted across-the-board gains of a similar percentage amount, thereby adding confusion -- and hope -- to the near-panic that had set in progressively during the month.

During February as a whole, market losses eroded some \$12 billion from the value of Israeli shares, which dropped from a total value of approximately \$55 billion to \$43 billion.

While the general investment mood improved after Tuesday's showing, pundits warned that the gains could be purely technical.

Most seemed to feel that the boom months would not return soon and that the investing public would, at best, have to get used to a slower upward climb.

From July 1993 to the year's end, the Israeli stock market rose some 40 percent, and prices held firm through the first month of this year.

The massive February falls were variously attributed to statements by market insiders that shares were overvalued, and also to the government's recent refusal to intervene in the market.

Also cited as a cause of the recent market plunge were recent investigations launched by the stock exchange itself and by the police into allegations of stock-price manipulations by mutual fund portfolio managers and traders.

The convictions earlier this month of many of the country's leading bankers for artificially inflating the prices of their banks' shares during the early 1980s are not thought to be directly linked to the recent fluctuations of the market.

Israel Listed As An 'Emerging Market'

The bankers are currently awaiting sentencing. Their activities eventually forced the Israeli government to buy out the crumbling banks in 1983, during Israel's worst financial scandal.

With interest rates around the world almost uniformly low, and with peace apparently just over the horizon in the Middle East, Israel has rapidly attained a place for itself among the lists of "emerging markets" in major American and European financial publications.

Both the volume of trading at the Tel Aviv Stock Exchange, and the underlying boom atmosphere that is felt throughout the Israeli economy, have persuaded these publications to take note of the Tel Aviv exchange.

Israeli officials and private entrepreneurs believe this trend reflects a similar awakening of awareness among private investors and business executives around the world.

Experts in Tel Aviv say the stock market's February plunge need not adversely affect this basic optimism. On the contrary, they maintain, market volatility coupled with stringent efforts to uncover stock-price manipulation are two important hallmarks of serious "emerging markets."

Far from deterring outside investors, they say, these two phenomena ought to reassure them that the Tel Aviv Stock Exchange is proceeding on the right course.

While many small companies quoted on the exchange are indeed overvalued, the experts concede, the bigger companies are essentially strong and firm -- and present attractive investment opportunities.

The government's ongoing policy of privatization of government-owned concerns, coupled with a determined assault on Israel's notorious red tape and restrictive financial regulations, are specifically designed to woo foreign investment.

With this same goal of attracting foreign investors in mind, Israel has been able to cite the \$10 billion it won from the United States in loan guarantees as further evidence of the country's economic soundness.

The government was also pleased to release new unemployment figures on Tuesday showing a 10 percent drop in unemployment for 1993.

Finance Minister Avraham Shohat, with barely concealed glee, described the figures as "better even than we had hoped for."

But for the proverbial man in the street, who in Israel, perhaps more than in any other country, is also a small-time investor on the stock exchange, February's declines were cause for unmitigated gloom, which no sophisticated punditry could alleviate.

After witnessing months of steady market rises, ordinary people had begun taking loans -- at relatively low interest rates -- to finance their stock purchases.

But now, within a matter of days, these relatively late entrants into the market have found themselves with losses of 30 percent or more -- and with the repayments of their loans still bearing down on them.

To some observers, the heady -- and eventually disastrous -- days of the early 1980s seemed on the way back.

Market commentators say that, as so often happens in these cases, the small investors lost big while the large institutional players mopped up, buying in bulk after the falls and riding upward again as the market bounced back.

ISRAEL, RUSSIA RECOGNIZE CREDIT CARDS

By Hugh Orgel

TEL AVIV, Feb. 22 (JTA) -- Israel's Bank Hapoalim and Bank Stolichni, one of Russia's leading banks, are currently finalizing a deal which will enable the two banks to recognize each other's credit cards.

After the arrangement goes into effect, holders of Russian credit cards will be able to obtain shekels from Bank Hapoalim automatic teller machines, and holders of Israeli credit cards will similarly be able to obtain rubles through Bank Stolichni.

The agreement is intended for the convenience of the thousands of tourists and businessmen who visit Israel and Russia each year.

BRITISH WAR CRIMES PROSECUTIONS EXPECTED TO 'DIE A NATURAL DEATH'

By Jerry Lewis

London Jewish Chronicle

LONDON, Feb. 22 (JTA) -- Britain's home office minister has told the House of Lords that the country's War Crimes Act will probably die "a natural death" if no prosecutions can be initiated against alleged former Nazis living in Britain.

Earl Ferrers said this after a former Conservative minister, Lord Boyd-Carpenter, suggested that the expenditure to date of the equivalent of about \$8 million on war crimes investigations without any resulting prosecutions showed "what a nonsense the whole operation had been." Boyd-Carpenter was greeted with loud cheers.

Ferrers replied that the expenditure had been incurred because Parliament had mandated carrying out the investigations through its passage of the War Crimes Act.

When asked by another member of the House of Lords whether mounting prosecutions for alleged offenses committed 50 years ago was an effort "fraught with difficulties," Ferrers gave a curt "yes."

He told Lord McIntosh, spokesman for the opposition, that the decision to close the Scottish War Crimes unit, recently announced, would not have any effect on the ongoing inquiries into cases in England and Wales. Ferrers said 27 cases of alleged Nazis are still being investigated.

During the debate on the War Crimes Act, a peer from the Labor Party, Lord Ennals, asked if the government was likely to return the war-crimes issue to Parliament for a "new decision."

Ferrers pointed out that the War Crimes Act was the "law of the land" and mandated investigating war criminals living in Britain. But, he added, "when the police have carried out their investigations and found there is nothing further to be investigated, it will die a natural death."

Lord Wigoder, who is Jewish, suggested that the War Crimes Act was worthwhile despite the lack of prosecutions. He was supported by Lord Mackie, who said it was better to disregard problems and enforce justice for the "horrible crimes committed, even a long time ago."

Commenting later on the war crimes debate in the House of Lords, Neville Nagler, chief executive of the Board of Deputies of British Jews, said, "We are confident that the police will continue to pursue their investigations with the utmost vigor and hope that they will be more successful than their Scottish counterparts in seeing some cases brought to court."

The Jewish community, said Nagler, hopes that "before there is any question of the War Crimes Act dying a 'natural death,' we may have seen at least some former Nazis brought to justice as the government originally intended."

ARAFAT TO MANDELA: DON'T VISIT ISRAEL UNTIL SELF-RULE ACCORD IS IMPLEMENTED

By Henriette Boas

AMSTERDAM, Feb. 22 (JTA) -- During a visit to the Netherlands last week, Palestine Liberation Organization Chairman Yasser Arafat met with Nelson Mandela and extracted a promise from the leader of the African National Congress not to visit Israel until the Palestinian self-rule

accord has been implemented. Arafat made the request of Mandela, who had previously been issued a formal invitation by the Israeli government to visit the country, in an apparent effort to publicize what he considered deliberate delays on the part of Israel to implement their accord.

Mandela was here last week in an effort to raise financial support for South Africa's upcoming national elections.

After meeting with Mandela in The Hague on Friday, Arafat met with Dutch Prime Minister Ruud Lubbers and complained that "the other side," as he referred to the Israeli negotiators, had been practicing delaying tactics in the ongoing talks for establishing Palestinian self-rule.

Arafat also maintained that the Palestinian negotiators had made many concessions in an effort to keep the talks on track. The PLO leader adopted a similar theme during a news conference here following his meeting with Lubbers.

Later in the day, Arafat addressed a meeting of Dutch businessmen interested in establishing joint projects in the Gaza Strip.

Holland has already agreed to a joint project with the Palestinians to build a harbor in Gaza.

There is also interest here in starting up other joint ventures with the Palestinians, particularly in agriculture and tourism.

PERU APPOINTS JEWISH LEADER AS ITS NEW PRIME MINISTER

By Mitchell Danow

NEW YORK, Feb. 22 (JTA) -- The Peruvian government last week named its first Jew to the position of prime minister.

Efrain Goldenberg Schreiber, formerly Peru's foreign minister, became the country's prime minister on Feb. 17, replacing Alfonso Bustamante, who recently resigned from the position.

Goldenberg, who will retain the foreign minister's portfolio, was a businessman who had little formal governmental or diplomatic experience before he became foreign minister last September. (Goldenberg, like many Latin Americans, often drops the mother's family name in non-formal usages.)

But even from his youth, Goldenberg has been actively involved in Jewish communal work.

Goldenberg, who speaks Yiddish, was a member of a Zionist youth group, and he currently is a member of the Executive of the World Jewish Congress, which is made up of representatives from regional groups of the WJC.

"He is a good diplomat, a great politician and a wonderful Jew," said Elan Steinberg, executive director of the WJC.

In a letter sent last September to Edgar Bronfman and Israel Singer, the president and secretary-general, respectively, of the WJC, Goldenberg made clear how his government stands on issues of human rights.

"As you know, Peru has always rejected anti-Semitism, and this policy will continue in every international forum in which we take part," Goldenberg wrote.

Peru, which has a total population of about 20 million, has a Jewish community of about 5,000.

The country's president, Alberto Fujimori, is of Japanese origin. Like most of Latin America, the population of Peru mostly Roman Catholic.