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ARENS SAYS ISRAEL MUST INTRODUCE MOMENTUM IN MIDEAST PEACE PROCESS By Soshea Leibler

NEW YORK, March 12 (JTA) -- Israeli Foreign Minister Moshe Arens hinted here Saturday that he may be carrying proposals to advance the peace process with him to Washington.

"We feel it is incumbent upon us to make a special effort to introduce new momentum and renewed momentum into the peace process," said Arens, who was to meet at the White House Monday morning with President Bush.

Arens is in the United States for the first high-level meetings between the new American and Israeli administrations. He stopped in New York to address the America Israel Friendship League dinner here Saturdav night.

Arens said he is hoping his meetings with Bush and other administration officials will strengthen the "solid foundation of friendship and relationship of alliance between Israel and the United States."

Arens' meetings in Washington are to lay the groundwork for a visit next month by Israeli Prime Minister Yitzhak Shamir. Bush has been saying publicly that he is hoping for significant peace proposals to come out of these meetings.

Published reports on Sunday said Arens will be greeted with a list of specific suggestions from the Bush administration, a list that will reportedly be conveyed to the Palestine Liberation Organization, as well.

New U.S. Requests

According to The New York Times, the list will include asking Israel to free some of the Palestinians arrested during the uprising in the West Bank and Gaza Strip and asking the PLO to halt violent demonstrations in those areas.

In his speech Saturday night, Arens made specific references to the Palestinian uprising, calling attention to the recent firebomb attacks on Israeli citizens and the stabbing death last month of an Israeli civilian in Jerusalem.

Defending Israel's role in putting down the uprising, the foreign minister said, "We believe that giving in to terrorism encourages further violence, and we believe that giving in to violence could spell disaster."

Nevertheless, he said, "we must make a special effort to convince those who have been recalcitrant in the past to come forward and negotiate peace with us."

He said Israel must find, among the Palestinian population of the West Bank and Gaza, "authentic representatives to come forward and talk -- not firebombs, not violence, but come forward and talk peace."

Arens' schedule in Washington includes meetings with Bush, Vice President Dan Quayle, Secretary of State James Baker and National Security Adviser Brent Scowcroft.

He will deliver addresses Tuesday at the Washington Institute for Near East Policy and Thursday at the Council on Foreign Relations in New York.

Besides Arens, speakers at Saturday's dinner included Israeli Knesset member Chaim Ramon of Labor and Sen. Paul Simon (D-III.).

SECURITY FORCES EASING CONDITIONS IN TERRITORIES, AS U.S. REQUESTED By Gil Sedan

JERUSALEM, March 12 (JTA) - The security forces are about to take several measures to ease tensions and improve the quality of life in the administered territories, in the hope of creating a better atmosphere in advance of Prime Minister Yitzhak Shamir's visit to Washington next month.

The army already has scaled back the number of soldiers patrolling refugee camps in the Gaza Strip. It now plans to cut the overall number of troops deployed in the territories, and replace them with the smaller, and more efficient, border police units.

And in the next few days, authorities say they will begin gradually to reopen schools in the territories that have been shut down to reduce the level of violence.

These steps are being seen here as an Israeli response to indications from Washington that the United States would like to see improvements in the treatment of the Palestinian population as an incremental step to advance the peace process.

That message is expected to be conveyed in Washington this week to Israeli Foreign Minister Moshe Arens and next month to Shamir himself.

The Americans appear to have changed their approach to the peace process, concentrating first on improving the atmosphere in the territories, rather than on seeking to win Israeli acceptance of an international peace conference.

In doing so, the Bush administration returns to the approach adopted by former Secretary of State George Shultz in his first days in office, when he demanded an improvement in "quality of life" in the territories.

Release Of Detainees

The Israeli authorities at the time lifted several restrictions on the local population, but that was long before the Palestinian uprising. Now the policy toward the local population has hardened considerably.

Another indication that the Israelis intend to relax the atmosphere was the release this weekend of 24 prisoners from the Dhahiriya detention camp, near Hebron, known for its difficult conditions.

The release was a response to one of the main requests put forward by the Americans in recent days: the release of Palestinian prisoners, especially those who have been detained without trial under emergency regulations dating from the British Mandate.

The Americans also want the Israelis to lift the many economic sanctions taken against the population in response to drastic cuts in tax payments.

Defense Minister Yitzhak Rabin denied over the weekend that the latest Israeli steps are a response to American demands. "We want to reduce the level of violence in the territories, regardless of what the Americans want or do not want," Rabin told reporters.

The defense establishment describes the redeployment of the Israel Defense Force in the territories as meant to achieve two major goals: reduce the number of casualties and cut short the

length of reserve duty.

Rabin indicated that reserve duty would soon be reduced from 65 to 44 days a year.

Under the reorganization of security responsibilities in the territories, the IDF will continue to be the ultimate authority, and border police units will continue to be subordinate to them.

However, the border police, which until now served mostly as an auxiliary force in the towns, will now be the main force there. IDF units will be placed outside the main population centers.

In an effort to reduce the role of the IDF as a police force, soldiers will be absorbed mainly patrolling major roads and designated strongholds of the intifada. They will interfere in the towns only when needed to reinforce border police.

PLO OFFICIAL TELLS CONFERENCE THAT THE UPRISING MUST GO ON By Andrew Silow Carroll

NEW YORK, March 12 (JTA) -- A top official of the Palestine Liberation Organization told an audience of Israelis, Palestinians and Americans here Saturday night that the PLO has a "clear commitment" to a two-state solution and to a "final stop to terrorism."

But he warned Sunday that calling a halt to the Palestinian uprising, part of a reported Bush administration proposal for Palestinian and Israeli

moderation, is "impossible."

"The intifada is the mother of our peace plan and not just a protest movement," Nabil Shaath, chairman of the political committee of the Palestine National Council, said at the opening of a three-day peace conference at Columbia Univer-

The conference, featuring PLO officials, dovish Israeli Knesset members and some 40 leading figures from both sides of the "green line" in Israel, was billed as the largest event so far to bring Palestinians and Israelis together to talk peace.

Sponsors of the event included Al-Fair, the Jerusalem-based Palestinian daily, and New Outlook, a left-wing Israeli monthly.

Columbia University agreed to host the conference, but under extraordinarily tight security that included full body searches of all participants and observers.

Organizers hoped it would be the most visible of a series of such conferences, including recent meetings in Paris, London and The Hague.

Four Knesset Members

The Israeli participants included four Knesset members, all from small, dovish parties. They were Shulamit Aloni, Ran Cohen and Yossi Sarid of the Citizens Rights Movement, and Yair Tsaban of Mapam, the United Workers Party of Israel.

Palestinian figures included PLO officials and major West Bank personalities. Among the seven PLO officials in attendance were Shaath, a special adviser to PLO leader Yasir Arafat; Afif Safieh. the PLO's representative to the Netherlands; and Noha Tadros Khalaf, assistant to Farouk Kad-doumi, head of the PLO's foreign affairs office.

All three were granted visas to attend the conference only last week, along with Faisal al-Husseini, director of the Arab Studies Center in Jerusalem, who was recently released from administrative detention in Israel.

The conference began Saturday night with the boisterous mingling of delegates and audience

members, although the Israeli Knesset members were careful to obey Israeli laws forbidding contact between Israeli citizens and PLO members.

Only a Monday session featuring Sarid and Safieh was to feature a Knesset member and PLO official on the same stage.

The carefully screened audience greeted most of the speeches with polite applause, including those that admonished one or the other side in the conflict.

The PLO was exhorted by Israelis and American Jews to make the kind of unequivocal statements that will build trust for their newly moderate positions.

And Israeli leaders and the Bush administration were told to abandon hopes that Palestinians will settle for anything less than a Palestinian state negotiated by the PLO, whom they called their true representative.

Leaders From Jewish Mainstream

A generally optimistic tone was leavened somewhat by the words of Yehoshafat Harkabi, the one-time hawk who headed military intelligence in Israel. He now argues for a two-state

"Remember," Harkabi said Saturday night, "the Israeli side here is represented not by mainstream Israelis, but by moderate fringes, while the PLO is represented by its mainstream.

In order to reach the Israeli mainstream, he told the Palestinians, they must not only make their new positions clear, but explain why they

are taking those positions.

"Why do you now accept U.N. Resolution 181" -- calling for the creation of separate Jewish and Palestinian states -- "when its rejection has been a basic doctrine? Palestinians have to acknowledge the change and explain it.'

Shaath replied by saying the PLO had for too long acted like the mother in the famous King Solomon story, who would rather give up a

child than see it split in half.

"Maybe property and land are not like children," he said. The PLO has come to accept that "we must divide the land so that children can live."

Among the American Jews addressing the conference were Rabbi Arthur Hertzberg of Dartmouth College and communal leader Esther Leah Ritz. Both declared themselves Jews firmly in both the mainstream and the peace camp.

Ritz, a member of the Jewish Agency Board of Governors and past president of the Milwaukee Jewish Federation, said more of the Jewish "silent majority" would join the dovish forces, but they are "concerned that elements in the PLO today see a Palestinian state as a transitional stage to a Greater Palestine."

No breaches in the conference's tight security were reported. Fewer than a dozen demonstrators gathered outside the conference hall Sunday, displaying a coffin draped in an Israeli flag to symbolize PLO-sponsored terrorism.

SOLDIER STABBED IN BETHLEHEM By Cathrine Gerson

JERUSALEM, March 12 (JTA) -- An Israeli reserve soldier was stabbed Saturday in Bethlehem while patrolling the West Bank city.

The soldier, Gadi Amzaleg, 25, of Petach Tikva, underwent more than eight hours of surgery for chest and liver wounds at Hadassah University Hospital in Ein Kerem.

SWISS GOVERNMENT ACKNOWLEDGES SALE OF POISON GAS INGREDIENTS TO EGYPT By Tamar Levy

GENEVA, March 12 (JTA) -- Swiss government authorities have confirmed that Egypt has been expanding its chemical warfare capability with the help of a major Swiss company.

The story, first reported Friday in The New York Times, said Swiss officials had "reason to believe" the firm had helped Egypt build a chemical plant intended to manufacture poison gas.

American and Swiss officials told the Times Thursday they believe the plant will be installed at Abu Zaabal, north of Cairo.

Moreover, indications are that the Abu Zaabal plant will be part of a military-industrial complex that sometime in the future will also include a joint American-Egyptian plant for assembling the M-1 tank.

Swiss officials confirmed over the weekend that Krebs A.G., a firm based in Zurich, has supplied Egypt for several years with the equipment needed to build a poison gas plant.

Klaus Jacobi, the Swiss secretary of state for foreign affairs, officially asked Krebs last week to stop further delivery of materials to Egypt and to halt all technical assistance.

The Swiss officials said their government was first informed of a possible link between Krebs and the Egyptians in 1986, but that it took time to check the information and seek evidence that the material was being used to build a poison gas plant.

Israeli experts agree with Swiss reports that Egypt now has not only the ability to produce nerve and mustard gas, but has actually been trying to produce a deadly nerve gas, Sarin.

A Dilemma For U.S. Officials

But the managing director for the Swiss firm, Hans Weber, said in a radio interview that his company "did not have the slightest inkling" that the material supplied to Egypt was being used to build a poison gas plant.

In Washington, the U.S. State Department would not say Friday whether Egypt was intending to produce poison gas at the facility. Spokesman Charles Redman said the Krebs firm could be used for both civilian and military purposes.

News that Egypt may be involved in producing poison gas presents a dilemma for American officials, who have talked tough on the chemical weapons issue since it was reported that German companies and two American firms sold lethal chemicals to Libya, a country tied to state-sponsored terrorism and one with an avowed hatred of Isracl.

Egypt, which has diplomatic ties to Israel, receives a large amount of American aid, second only to Israel.

Egyptian Foreign Minister Esmat Abdel Meguid told an international conference on chemical warfare held in Paris in January that Egypt and the Arab states are entitled to possess chemical weapons, as long as Israel does not dismantle its suspected nuclear arsenal or open it to international inspection.

But Mohammed Wahby, the Egyptian Embassy spokesman in Washington, told the Times, "We are not involved in the manufacture of chemical

Egypt has been able to produce chemical weapons, especially deadly poison gas, since the early 1960s. It used the gas extensively during the

Egyptian intervention in Yemen under the leadership of the late Gamal Abdel Nasser, according to a report cited in the Times by Seth Carus, an expert at the Institute for Near East Policy in Washington.

It is believed those chemicals were obtained from the Soviet Union.

Japanese Link Denied

to this report.)

The Times also reported that Egypt supplied some of these chemical weapons to Syria before the 1973 Yom Kippur War.

In a related story, Japan denied Thursday a report that one of its aerospace firms installed equipment enabling Libya to store hundreds of poison gas bombs.

The Detroit News reported that Central Intelligence Agency officials told the Senate Foreign Relations Committee on March I that Mitsubishi Heavy Industries has assigned about 50 technicians and engineers at a desert chemical complex and had installed two production lines for making bomb canisters near Rabta, southwest of Tripoli

Pentagon and congressional sources told the newspaper the Japanese technical experts installed two production lines for making bomb canisters that store the poison gas.

Libva maintains that the complex is used to produce only pharmaceuticals and pesticides.

(JTA correspondents Howard Rosenberg in Washington and Edwin Eytan in Paris contributed

INTERNATIONAL CONFERENCE NO THREAT TO ISRAEL, MUBARAK TELLS EUROPEANS By Yossi Lempkowicz

BRUSSELS, March 12 (JTA) -- Israel has nothing to fear from an international peace conference, Egyptian President Hosni Mubarak said here Friday.

Speaking at the end of a two-day working visit to Belgium and the European Community, the Egyptian leader stressed that such an international conference "would not impose a settlement to

any party." Rather, he said, "it would just be an umbrella, a guarantee to be followed by direct discussions between the parties and would lead to the main settlement.

Mubarak's main order of business was a discussion of Egypt's staggering foreign debt, which amounts to some \$44 billion, Mubarak discussed economic problems with Jacques Delors. president of the European Commission.

It was the first visit to the European Commission headquarters here by an Egyptian head of

When asked at a news conference about the Middle East, Mubarak said the European Community, which supports the peace conference concept, could use its excellent relations with Israel and the superpowers to play an important role in the peace process.

Mubarak also pointed out that during his discussions here, he had not urged the 12-nation community to recognize the Palestine Liberation Organization. He called the PLO issue a "minor thing" that would be solved by an international conference.

Mubarak also met here with Belgium's Prime Minister Wilfried Martens. The Egyptian president left Brussels Saturday for The Hague, where he is attending an environmental conference.

KOSHAROVSKY ARRIVES IN ISRAEL AFTER 18-YEAR WAIT FOR FREEDOM By Hugh Orgel

TEL AVIV, March 12 (JTA) -- Yuli Kosharovsky, the most veteran of Soviet refuseniks. arrived in Israel Saturday night with his wife and three children.

He flew here 18 years after Soviet authorities first refused him permission to emigrate, on the grounds that he possessed state secrets.

Kosharovsky's arrival at Ben-Gurion Airport received an exceptional greeting from Premier Yitzhak Shamir and Immigration and Absorption Minister Yitzhak Peretz, who waited to meet him personally.

The Kosharovskys drove straight from the airport to the new home that been prepared for them in the West Bank settlement of Alon Shvut.

In Baltimore, Shoshana Cardin, chairwoman of the National Conference on Soviet Jewry, said, "We are gratified that Yuli Kosharovsky has finally realized his dream of arriving in Israel. We hope that all 'secrecy' refuseniks and all other Jews who seek to leave the Soviet Union will be granted their permission in the near future."

The National Conference estimates nearly 2,000 Soviet refuseniks are still awaiting

permission to emigrate.

SOLIDARITY SUNDAY MARCH CANCELED IN RECOGNITION OF SOVIET CHANGES

NEW YORK, March 12 (JTA) -- For the second straight year, New York's massive Solidarity Sunday rally for Soviet Jews has been can-

Its sponsoring body, the Coalition to Free Soviet Jews, has called instead for a "comprehensive program that would better address the current needs of Jews in the Soviet Union.'

The march, which had become a tradition in New York and was the nation's largest, was "postponed" last May on the eve of President Reagan's trip to Moscow for a summit conference with Soviet leader Mikhail Gorbachev.

Some Soviet Jewry activists doubted at that time that the annual spring march could have an impact following the massive demonstration in

Washington the previous December.

Now, nearly a year later and following the emigration of nearly 21,000 Soviet Jews, the coalition has voted not to hold a Solidarity Sunday rally on May 7. Instead, the New Yorkbased coalition will implement a new program.

Rabbi Haskel Lookstein, coalition chairman, said the decision was a result of an overwhelming vote by the organization's board of directors.

In that vote, held Thursday night, about 40 organizations were in favor of not holding the march. There was one dissenting vote.

But the group still plans a major public event for the latter part of this year.

"The decision not to hold the traditional Solidarity Sunday rally in May represents an acknowledgment that there have been substantive changes with regard to Soviet Jewry, notably an increase in emigration, the release of political prisoners and progress in human rights," Lookstein explained in a statement released Sunday.

He advised that although "our message will not change," "our tactics and our activities will." He added, "New and innovative programs and a flexible approach are essential in light of Gorbachev's policies of glasnost and perestroika.'

CLASH, EXPLOSION IN SOUTH LEBANON By Hugh Orgel

TEL AVIV, March 12 (JTA) -- Two heavily armed terrorists were killed Saturday in an encounter with an Israel Defense Force patrol in southern Lebanon.

There were no casualties among the Israelis, who had been on a routine patrol north of Hasbaya, in the eastern sector of the border security

Rifles and grenades were found on the bodies of the slain terrorists.

The clash occurred a day after two IDF soldiers and four members of the Israeli-backed South Lebanon Army were wounded by an explosion as their convoy passed along a road north of Marjayoun, in the central sector of the security zone.

The Israelis were only lightly injured and continued their mission, but two of the Lebanese were seriously hurt. One was reported Sunday in critical condition in Haifa's Rambam Hospital.

U.N. BODY IN GENEVA SCORES ISRAEL By Tamar Levy

GENEVA, March 12 (JTA) -- Another resolution condemning Israel was adopted here Friday at a meeting of the United Nations Human Right Commission.

This resolution, adopted by 30 member nations, condemned Israel for alleged ongoing violations of human rights in southern Lebanon.

The resolution specifically chided Israel for expelling Lebanese villagers from their homes in the border security zone. It asked that Israel stop the "arbitrary" procedure and withdraw from all Lebanese territory.

Only the United States voted against the resolution. There were 12 abstentions. Israel is not a voting member of the commission, but is allowed to observe its proceedings.

42 NATIONS AT JERUSALEM BOOK FAIR By David Landau and Gil Sedan

JERUSALEM, March 12 (JTA) -- Prime Minister Yitzhak Shamir urged hundreds of international book publishers gathered here Sunday night to "see for yourselves that life in this city is basically normal -- contrary to what the television and newspapers report."

Shamir was addressing the opening session of the 14th Jerusalem International Book Fair at the

Binyenei Ha'uma convention center.

The prime minister said that the fact that the fair is being held here at this time proves that Jerusalem can "rise above" transient problems and broadcast its historic message of "justice and peace."

Some 1,000 publishers from 42 nations are exhibiting an estimated 100,000 titles at this year's fair, one of the largest ever. The exhibits are spread over 7,000 square yards of space.

One of the key attractions is the participation of the Chinese writers association.

Phoenix Peng Zi, a member of the board of directors of the Chinese association, and her husband, Sha Bulli -- formerly Sidney Shapiro, of American Jewish descent -- said they had been sent by the Chinese authorities on a fact-finding mission for the publishers in China.

Delegations from the Soviet Union, Fiji, Sri Lanka and Nepal are also participating.