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BUSH SAYS EVENTS IN SOVIET UNION WILL NOT DELAY PEACE CONFERENCE

WASHINGTON, Sept. 2 (JTA) -- Plans to convene a Middle East peace conference in October have not been "adversely affected by events in the Soviet Union." President Bush said Mon-

But he hinted that the peace conference could be delayed because of other factors.

The president made the comments during a news conference at his vacation home in Kennebunkport, Maine, where he announced that the United States would now recognize the independence of the three Baltic republics: Lithuania, Latvia and Estonia.

When asked by reporters whether he and Soviet President Mikhail Gorbachev still hoped to convene the proposed peace conference in October, Bush replied, "I can't give you the prospect of that."

But he said, "I'd hope we'd be able to go forward with the peace conference that the whole world wants to see take place."

And he indicated that any delay would not be a result of the tide of change sweeping the Soviet Union in the aftermath of last month's attempted coup by hard-liners.

'The ball lies in other courts," he said, without elaborating any further.

His comment was interpreted as an indication that the United States has still not resolved a key procedural obstacle to convening the peace conference: the problem of who will represent the Palestinians

The Palestine Liberation Organization has insisted on a role in selecting the Palestinian delegates and wants Arabs from East Jerusalem to be included. Israel refuses on both points.

Israel Expected To Follow Suit

U.S. Secretary of State James Baker reportedly will travel to the region soon, in a last-ditch attempt to settle this issue. But in Jerusalem, the Foreign Ministry said it had not received confirmation of a Baker visit.

Meanwhile, immigrant associations in Israel urged the government Monday to withhold recognition of Lithuania, Latvia and Estonia until their governments publicly ask forgiveness from the Jewish people for their nations' record toward the Jews during World War II.

Groups representing immigrants from the three Baltic republics argued that other newly democratic governments in Eastern Europe had seen fit to make such proclamations in recent

It was not clear, however, whether the appeal would affect Prime Minister Yitzhak Shamir's apparent determination to have Israel follow Washington's lead and recognize the three republics in the coming days.

Last week, Shamir said Israel, as a small country, need not "rush" to recognize the Baltic republics. He indicated that Jerusalem would await Washington's lead in this matter. Now that the United States has granted formal recognition, Israel is expected to follow suit.

(JTA correspondent David Landau in Jerusalem contributed to this report.)

NEW KGB HEAD EXPECTED TO ACT SOON TO REVEAL FATE OF RAOUL WALLENBERG By Bram D. Eisenthal

NEW YORK. NY 10001-5010

MONTREAL, Sept. 2 (JTA) -- The fate of Raoul Wallenberg, the Swedish diplomat who rescued some 100,000 Hungarian Jews from the Nazis before disappearing behind Soviet lines, may soon be revealed, thanks to the appointment of a reform-minded chief of the KGB.

The new KGB head, Vadim Bakatin, is likely to release the intelligence agency's secret files on Wallenberg soon, according to Irwin Cotler, a McGill University law professor who has championed efforts to uncover the fate of the Swedish war hero.

Cotler applauded the appointment of Bakatin, a one-time Soviet interior minister, to the KGB post last month, following the failed coup attempt in the Soviet Union.

"When he was minister of the interior, he cooperated with us in an unprecedented way,' said Cotler. "He allowed us access to prison archives, and the conclusion at the time was that all evidentiary trails led to the KGB. Thanks to him, we were closer to the truth than ever before."

Last summer, an international commission which included Cotler and Wallenberg's halfbrother, Guy von Dardel, visited Soviet prisons to "search for the truth" on the fate of the former diplomat, who was last seen alive in 1945.

The Soviets had refused to permit any outside investigations into Wallenberg's where-abouts for 45 years, until the commission uncovered some proof that he did not die in 1947 as the Soviets had claimed.

The commission also found that the Soviets had only opened their first investigation of his fate in 1988 and promptly closed it. Until then, they had claimed to have conducted prior inquiries into his disappearance.

Two Coup Leaders Were Obstacles

Two of the eight hard-liners who served on "emergency committee" that staged last month's attempted coup played a leading role in blocking further investigations into Wallenberg's fate: Boris Pugo, who replaced Bakatin last fall as interior minister, and Vladimir Kryuchkov, whom Bakatin has now replaced as KGB chief.

"Pugo simply refused to cooperate with us as Bakatin had," said Cotler. "And Kryuchkov refused to hand over any more files. Our inquiry was stopped dead in its tracks."

"Bakatin had told us that the KGB was causing some difficulties but that if he was ever in a position to help us, he would," said Cotler. "My sense is we are now on the threshold of discovering what happened to Raoul Wallenberg.

Cotler was even more confident because of Bakatin's sincerity, "He vowed that no one would ever be able to say that they had obstructed any investigation" and he "promised that they would do everything possible to find out what happened to a great humanitarian."

"And to his word," said Cotler," Bakatin "opened up the prisons and files. I have every reason to believe that he was sincere."

Cotler said the Soviets would come under

international pressure to come clean on the Wallenberg case once and for all during an international human rights conference taking place in Moscow from Sept. 9 to Oct. 4, under the auspices of the Conference on Security and Cooperation in Europe.

"We have received assurances from the U.S., Canada, Belgium, Hungary and Sweden that they will bring up the Wallenberg case at the conference," Cotler said.

Both he and von Dardel will be attending the conference.

CHANGES IN USSR MEAN LITTLE YET FOR SOVIET JEW ACCUSED OF MURDER By Susan Birnbaum

NEW YORK, Sept. 2 (JTA) -- The aborted Soviet coup that changed the course of history has had no discernible effect on the case of Dmitri Berman, the Jewish man from the Ukraine who stands accused of murdering a Moldavian soldier

Berman, whose case was reopened in Moscow after being dismissed by the Ukrainian procurator, still sits in quasi-asylum in the Canadian Embassy in Moscow

"Not a word has been heard," said his Canadian lawyer, Bert Raphael.

The turmoil in government ranks could result in greater ambiguity concerning the status of the man, who claims he did not commit the crime.

"I don't think it is the right climate, because we don't know who the authority is," Raphael said in a telephone interview last week.

In fact, Berman's case has been murky since it began in 1988, when he was first arrested. He has undergone some nine court appearances, torture, imprisonment in three psychiatric hospitals and forced administration of drugs, say people who have met with him.

Berman, a 26-year-old Jew from Nikolayev, was tried for the murder of a soldier, exonerated by the Ukrainian prosecutor and then told, just days before he was to immigrate to Israel in December, that his case was being reopened on orders from Moscow.

Berman ran to the Canadian Embassy, and there he remains. The Canadians, while stopping short of granting him asylum, have indicated they will not ask him to leave.

Soviets Pressed By Canadians

In July, President Mikhail Gorbachev was apprised of the Berman case by Canadian Jewish businessman Albert Reichmann, as well as by Canadian Prime Minister Brian Mulroney, when the two heads of state met following the meeting of industrialized nations in London.

It is not believed the case was brought up during the summit meeting between Presidents Bush and Gorbachev in July, although the U.S. State Department has also been following it.

Ousted Foreign Minister Alexander Bessmertnykh had also been involved. Canada's external affairs minister, Barbara McDougall, wrote a letter to Bessmertnykh about Berman and promised Raphael that she would "get back to me," the attorney said.

"I have had no further word from our government," Raphael said last week.

At this point, Raphael fears that even trying take Berman out of the Canadian Embassy could expose him to unknown dangers in an uncertain climate.

Still, Berman has not been forgotten, Last month, during commemorations at Toronto's Congregation Beth Tzedec for the "Murdered Poets," the Soviet Jewish intellectuals who were imprisoned and ordered killed by Joseph Stalin. hundreds of people signed a petition asking for Berman's release..

Canadian leaders have been among an international array of jurists and political leaders who have interceded on Berman's behalf. Mulroney was urged to do so by B'nai Brith Canada and other Jewish groups, as well as by Soviet human rights activist Yelena Bonner, whose late husband, Andrei Sakharov, monitored the case.

Bonner had reportedly told Gorbachev about Berman in May. But the Soviet leader seemed unaware of the case when told about Berman in July. He said then that he would look into it.

Framed From The Beginning'

David Leopold, an attorney from Cleveland who spent last winter in the Moscow office of the Union of Councils for Soviet Jews, said: "There actually is no evidence that Dmitri was in any way involved in the death of the soldier.

"This was never a murder case. This is a human rights case. Dmitri was framed from the beginning."

Raphael conceded that Gorbachev and other government figures "seem to have more pressing things to deal with" at the moment.

However, a Soviet Jewry leader in the United States believes there is room for optimism.

Pamela Cohen, president of the Union of Councils, said a clear danger to Berman was removed when Interior Minister Boris Pugo committed suicide last month as he was about to be arrested for his part in the coup against Gorhachev.

"Boris Pugo was his main nemesis," said Cohen in a telephone interview from Chicago. "The Ukrainian government basically had said that they had nothing against him and they did not know where it was coming from. And every time we raised the issue, it basically came to the Interior Ministry wanting to move ahead with it."

Cohen remembered Pugo not just for Berman but "because of the problems he caused with Tatvana and Zakhar Zunshain," a former prisoner of conscience from Riga, when Pugo was KGB chief in Latvia.

Pugo "made their lives additionally miserable." Cohen said.

OLIM ARE SETTLING ISRAEL'S NORTH By Hugh Orgel

TEL AVIV, Sept. 2 (JTA) -- Nearly a third of the immigrants who have come to Israel since 1989 have settled in the northern part of the country, reversing a demographic trend that had troubled Israelis for years.

According to a report last week in the Israeli daily Ha'aretz, 108,500 olim, mostly from the Soviet Union, were absorbed in the northern region. They represent 31.2 percent of the 347,500 who arrived since mass aliyah from the Soviet Union began three years ago.

For many years, the North tended to be underpopulated by Jews and Israeli Arabs seemed likely to become the majority in Galilee.

Now, the North accounts for 22 percent of Israel's total population, Uri Gordon, head of the Jewish Agency's Immigration and Absorption Department, said last week.

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ISRAEL WARY OF FLURRY OF REPORTS FROM GROUPS CLAIMING TO HOLD MIAS By Hugh Orgel and Gil Sedan

TEL AVIV, Sept. 2 (JTA) -- Israeli officials are reacting with wariness to new claims from various Arab groups that they are holding missing Israeli soldiers or their bodies.

The claims appear to be an attempt by these groups to recover prisoners held by Israel as part of an international deal involving the release of Western hostages held in Lebanon

One of the latest claims came Monday from the Shi'ite Amal militia in Lebanon, which said it is holding the bodies of two Israeli soldiers killed in a 1982 battle at Khalde, south of Beirut.

Spokespersons for the defense establishment said no Israelis had been reported missing from any fighting at Khalde.

However, three of the seven Israeli soldiers listed as missing in Lebanon were members of a tank crew hit during a battle with Syrian forces in Lebanon's Bekaa Valley in 1982.

But defense officials said Israel would not be wooed by any claims of recovered Israeli bodies until a "reliable international body" has examined the remains to establish whether they are indeed those of Israeli soldiers.

In one previous prisoner exchange, terrorists returned four bodies, three of which were found in forensic examinations to be those of Arabs.

Last week, Israeli officials warned the public to beware of a disinformation campaign by Lebanese and Palestinian groups.

Israel has complained it has yet to receive authentic information on the condition of missing servicemen, all the while it is being pressured to release some 375 Palestinian security prisoners held in Israel and southern Lebanon, in exchange for 10 Western hostages being held in Lebanon.

Hamas Says It Has A Soldier

The missing Israeli soldier with the best chance of being alive is Capt. Ron Arad, an Israeli air force navigator shot down over Lebanon in 1986 and captured by Amal.

Last week, the head of the Amal militia, Lebanese Minister of State Nabih Berri, said Amal had "sold" Arad to the Iranian Revolutionary Guards several years ago for a half-million dollars. He said Arad had been taken to Teheran.

But on Sunday, a previously unknown Shi'ite organization calling itself the Sadr People said in Beirut that it is willing to release Arad, in exchange for information on the fate of missing Shi'ite religious leader Imam Mousa Sadr, who disappeared in Libya 13 years ago.

In another surprise announcement, Hamas, the Islamic resistance movement in the administered territories, claimed it is holding an Israeli soldier who disappeared within Israel in 1989.

The group said, in a communique released in Beirut, that it is holding Israel Defense Force Cpl. Ilan Sa'adon and wants to trade him as part of a general prisoner exchange.

The Hamas offer marks the first time a local Palestinian organization has taken part in the international hustle over hostages.

It is also the first time Sa'adon's name has appeared, at least publicly, in the current negotiations. So far, only Israeli soldiers missing in Lebanon have been on the hostage swap agenda.

Sa'adon was last seen in the southern part of Israel on May 3, 1989. After an extensive manhunt, he was declared a fallen soldier.

COMMUNIQUE CONDEMNS DEATH THREATS, BUT CALLS FOR MORE ATTACKS IN HEBRON

JERUSALEM, Sept. 2 (JTA) -- A communique is de Monday by the so-called Unified Command of the intifada condemns recent death threats made in the administered territories against the Palestinian leaders who met with U.S. Secretary of State James Baker.

But the communique also threatens death to Arabs in East Jerusalem who sell their apartments to Jews and urges Palestinians to attack Jewish settlers in Hebron, to "turn their life into hell."

Hebron has become the target of firebombings and other violent attacks in recent weeks, since mobile homes were set up for yeshiva students at a former bus station in the heart of the predominantly Arab West Bank town.

Jewish settlement groups have also been active recently in trying to expand the Jewish presence in the Moslem Quarter of Jerusalem's Old City. This is often done by purchasing buildings from Arabs who own property there but do not occupy it.

Monday's communique urged all Arabs from East Jerusalem who moved to other places to return immediately to their homes, lest they be occupied by Jews.

But the statement condemned death threats made last month against Faisal Husseini, Hanan Ashrawi and Zakariya al-Agha, in leaflets issued by the Moslem fundamentalist Islamic Jihad.

According to the communique, despite differences between various Palestinian factions, "only a democratic dialogue will unify the ranks."

COURT UPHOLDS JAIL SENTENCES FOR TWO SHIN BET INVESTIGATORS By Hugh Orgel

TEL AVIV, Sept. 2 (JTA) -- Israel's High Court of Justice has upheld six-month prison sentences meted out to two investigators of the Shin Bet domestic security agency who were convicted of negligently causing the death of a Palestinian from the Gaza Strip.

The judgment marks the first time Shin Bet investigators have been sent to prison for mistreatment of Palestinians under detention.

The investigators, who were suspended from their jobs, had appealed their sentences and requested that they be allowed to do community service rather than go to jail.

But Justice Aharon Barak rejected the petition, writing that "only a jail term -- not community service -- can express Israeli society's repugnance at their deeds. Only thus can we deter others from doing likewise.

"Society's message to investigators is unequivocal," the judge wrote. "An investigation must be conducted within the bounds of law, and if it is not, the response will be meaningful punishment."

According to the indictment, Shin Bet detained Khaled Sheikh Ali, 27, for questioning as a suspected member of Islamic Jihad and on suspicion of possessing weapons.

During the course of the interrogation in a Gaza jail cell, the two Shin Bet agents beat him severely, causing severe bodily injuries from which he died shortly afterward.

Originally charged with manslaughter, the two Shin Bet operatives confessed in a plea bargain to a reduced charge of causing death by negligence.

ROMANIAN LEADER ARRIVES IN ISRAEL, IS PRESSED ON RECENT ANTI-SEMITISM By Gil Sedan

JERUSALEM, Sept. 2 (JTA) -- When Romanian President Ion Iliescu arrived here Monday on a historic state visit, it did not take long for the subject of anti-Semitism to crop up.

Israeli Foreign Minister David Levy said anti-Semitism in Romania had clouded relations between the two countries. But a senior Romanian official accompanying liescu denied his country had ever been anti-Semitic and said the president's visit is "a good opportunity to clear up misunderstandings."

There is little doubt that anti-Semitism has been on the rise in Romania since the December 1989 overthrow of longtime dictator Nicolae Ceausescu

A visit to Romania in July by international Jewish figures to mark the 50th anniversary of anti-Jewish pogroms was marred by anti-Semitic outbursts, even as speeches were made denouncing the resurgence of anti-Semitism.

And Romania's chief rabbi, Moshe Rosen, has had death threats made against him in the past year.

One newspaper, Romani Mara, which published especially conspicuous anti-Semitic articles, was recently closed. However, another publication, Europa, continues to publish anti-Semitic articles. In July, it published a diatribe against Israel's ambassador to Romania. Zvi Mazel.

Still, Romania was the one Eastern bloc nation that never broke relations with Israel. Most of nearly 400,000 Jews left in Romania after the Holocaust were allowed to make aliyah, and Bucharest has continued through the years to serve as a transit point for Soviet Jews immigrating to Israel.

An Israeli Foreign Ministry official pointed out Monday that, unlike other Eastern European countries, Romania did not support the 1975 U.N. General Assembly resolution denigrating Zionism as a form of racism.

Iliescu's four-day visit is the first by a Romanian president to Israel. The main purpose is to strengthen economic ties between the countries. On Monday, the two nations signed their first official trade pact.

Bilateral trade has intensified since the downfall of the Communist government in Bucharest, with a trade volume of \$50 million between them. In particular, Romania buys phosphates from Israel and sells it iron products.

LOS ANGELES MAN TELLS GERMAN COURT SCHWAMMBERGER SHOT HIS BEST FRIEND By David Kantor

BONN, Sept. 2 (JTA) — The Stuttgart court trying Josef Schwammberger for Nazi war crimes heard more evidence last week that the former SS official personally killed Jews at concentration camps in Poland and was responsible for the deaths of thousands of others.

Leon Gottdank, an American who lives in Los Angeles, testified that Schwammberger shot his friend Leo Pater in 1942 in the Przemysl concentration camp, near Krakow.

He told the court he heard the shots that killed his friend and later saw his body in the camp's main square, where Schwammberger was standing with three inmates who served in the camp's police force. Pater was killed because he had walked to an off-limits area of the camp to steal bread for his son, the witness testified.

The court also heard testimony from a man who served time in the same prison as Schwammberger who said he heard the 79-year-old former SS official boast of killing Jews.

Dieter Wolf, who is in jail for his involvement in a traffic accident, said Schwammberger boasted of having killed many Jews in the concentration camps of which he was in charge.

Schwammberger, who was extradited here last year from Argentina, denied the allegations against him and said he had never met Wolf.

Wolf has a long criminal record and has served time for several offenses, among them circulating false accusations against individuals.

NEW BRITISH CHIEF RABBI SPEAKS OF NEED FOR DECADE OF RENEWAL London Jewish Chronicle

LONDON, Sept. 2 (JTA) -- Dr. Jonathan Sacks, installed Sunday as the sixth chief rabbi of Britain, urged British Jewry to join him in creating a decade of Jewish renewal.

Sacks, 43, who now heads the United Hebrew Congregations of the Commonwealth, told a packed St. John's Wood Synagogue that the process of renewal would revitalize British Jewry's great powers of creativity.

He said it should be based on five central values: love of every Jew, love of learning, love of God, a profound contribution to British society and an unequivocal attachment to Israel.

Sacks asked the community to concentrate on the "historical moment" in which it is living and said failure of imagination must not stand in the way of achieving fulfillment of all hopes.

The new chief rabbi began his address by praising the work of his predecessor, Lord Immanuel Jakobovits, who had "raised the standing of the Chief Rabbinate in both Jewish and non-lewish eves."

The London-born, Cambridge-educated rabbi placed Jewish education, leadership and spirituality at the center of the struggle against indifference to a Jewish future.

"After millennial longings, we dare not, on the brink of arrival into a new era, let strength of will desert us." he told his audience.

Urging the community to join him in translating his vision into a practical program, he said he wants to be "a catalyst for creativity, to encourage leadership in others, and to let in the fresh air of initiative and imagination."

Britain's Chief Rabbinate has existed in one form or another for nearly three centuries. The post has been associated with the United Synagogue, which was officially created July 14, 1870. The chief rabbi's role has mainly been that of leader of the Ashkenazic congregations.

Sacks' predecessors were Rabbis Nathan Marcus Adler; his son, Hermann Adler; Joseph Hertz; Sir Israel Brodie; and Jakobovits.

Jakobovits, a native of Germany, declined the first offer to be chief rabbi, which was then given to Jacob Herzog, an Israeli diplomat. When Herzog's health failed him, he withdrew his candidacy and Jakobovits, who was serving at New York's Fifth Avenue Synagogue, accepted the position in 1967.

In Jerusalem, President Chaim Herzog, brother of Jacob Herzog, sent Sacks a congratulatory message Monday on behalf of the people of Israel.