

**SOVIET OFFICIAL ARRIVES IN ISRAEL
WITH NO NEWS YET ON FULL RELATIONS**

By David Landau

JERUSALEM, Oct. 17 (JTA) -- Soviet Foreign Minister Boris Pankin held what was officially described as a "frank and constructive" talk here Thursday with Israeli Foreign Minister David Levy.

But he did not make the long-anticipated announcement that the Soviet Union was restoring full diplomatic relations with Israel, which it broke during the 1967 Six-Day War.

Instead, Pankin scheduled a second, unplanned working session with Levy for noon Friday. He said diplomatic ties were discussed at their initial talk, but he had no specific message with respect to timing.

Pankin is the second Soviet foreign minister ever to visit Israel, the first having been his immediate predecessor, Alexander Bessmertnykh, who visited in May.

Pankin's primary mission here is a meeting with U.S. Secretary of State James Baker, scheduled for Friday morning at the King David Hotel, where both are staying.

The Soviet diplomat is believed to have come here to reinforce Baker's efforts to induce the Israelis and Palestinians to attend a Middle East peace conference under joint U.S.-Soviet auspices. The conference is tentatively scheduled to open Oct. 29 in Lausanne, Switzerland.

Levy stressed to reporters before the Soviet diplomat arrived that full, normal relations with Moscow is a prerequisite for Israel's attendance at a peace conference co-chaired by the Soviet Union. The Soviets have been promising to take the step as momentum toward a peace conference gained.

The Russian Definition Of 'Soon'

Levy recalled that during their last meeting, at the U.N. General Assembly in New York, Pankin "reiterated that the matter would be settled and quickly, very, very soon."

"And if the Russian 'soon' has the same meaning as the Israeli 'soon,' perhaps this is the best opportunity to make that announcement," Levy said.

On Wednesday, Soviet President Mikhail Gorbachev told Israeli Labor Party leader Shimon Peres, who is visiting Moscow, that he would announce the diplomatic rapprochement with Israel as soon as the conference date is set.

Peres and Gorbachev talked at the Kremlin for nearly two hours about world affairs.

Pankin, meanwhile, has scheduled a meeting here Friday morning with the group of local Palestinians, led by Faisal Husseini, that has been meeting regularly with Baker.

The Soviet diplomat spent an hour Thursday at the Yad Vashem Holocaust Memorial, where he was given a guided tour by its Russian-speaking director, Dr. Yitzhak Arad.

He lingered, somber-faced over exhibits related to Holocaust experiences in the Soviet Union. Afterward he toured the city briefly, stopping at its various holy places.

The Soviet foreign minister will visit Egypt and Syria after leaving Israel.

**BAKER WORKING TO SURMOUNT OBSTACLES
TO PEACE CONFERENCE BEFORE WEEKEND**

By David Landau

JERUSALEM, Oct. 17 (JTA) -- Racing against a deadline, U.S. Secretary of State James Baker engaged in marathon talks with Israeli leaders here Thursday.

But while "good progress" was made, according to an Israeli spokesman, there was no breakthrough.

After seven hours of meetings, the first spent closeted alone with Prime Minister Yitzhak Shamir, Baker was still unable to get Israel's formal commitment to attend the Middle East peace conference that the United States and Soviet Union hope to convene Oct. 29 in Lausanne, Switzerland.

Unless Israelis and Palestinians agree to attend, Baker and Soviet Foreign Minister Boris Pankin, who arrived here Thursday, will not be able to announce the conference or issue the invitations this weekend, as they had hoped.

Baker had more talks scheduled with Israeli Foreign Minister David Levy, who also met with Pankin on Thursday.

Shamir's spokesman said a "wide array" of unresolved questions remained.

One is the U.S. letter of assurances that the terms of the conference will not compromise Israel's vital interests.

Zalman Shoval, Israel's ambassador to Washington, told Israel Radio that there was progress on hammering out the letter. It was clear, however, that the talks were arduous, with both sides digging in over every last detail.

Another unresolved issue is the composition of the Palestinian delegation, which will negotiate under the umbrella of a Jordanian delegation but must be acceptable to Israel.

While the Palestinians reportedly have drawn up a list of potential negotiators, they postponed presenting it to Baker, pending approval from the Palestine Liberation Organization. On Thursday, Yasir Arafat convened a meeting of the Palestine Liberation Organization executive committee in Tunis, to reach a final decision on participation in the peace talks.

Israeli officials said Thursday night that neither they nor the U.S. team have yet received the Palestinian list.

Baker declined to take questions from reporters who spent the day waiting outside the Prime Minister's Office. Israeli spokesman Ehud Goll would say only that the hope was to wrap up the outstanding issues by Friday.

But for an announcement to be made, that would have to be done before the Sabbath, which begins at about 4 p.m. local time.

**MAN SHOT DEAD NEAR JORDANIAN BORDER
By Hugh Orgel**

TEL AVIV, Oct. 17 (JTA) -- A man in civilian clothes acting suspiciously near the Israeli-Jordanian border fence was shot to death by soldiers on both sides late Tuesday, the Israel Defense Force disclosed.

The incident occurred close to the Yarmuk River, a major tributary of the Jordan, in the

vicinity of the Hamat Gader hot springs, near Kibbutz Mevo Hamma on the Golan Heights.

The man, who was unarmed, was spotted by IDF and Jordanian soldiers lingering in the area between the security fence and the river. He failed to respond when challenged by an Israeli patrol.

The IDF opened fire. So did Jordanian soldiers. The man was struck down by bullets from both sides.

A search of his body yielded no identification documents but he is presumed to have been a Jordanian army deserter.

Mevo Hamma was put on alert for four hours after the incident.

Women and children on the kibbutz took shelter while the men mounted guard. The IDF fired flares into the air as soldiers searched for possible intruders.

The Yarmuk River forms the boundary between Jordan and Syria before it flows into the Jordan River.

KUWAITI BANK FINED ON BOYCOTT

By David Friedman

WASHINGTON, Oct. 17 (JTA) -- The New York branch of a Kuwaiti bank has been assessed the largest monetary penalty ever imposed for violating filing requirements of the anti-boycott provisions of the U.S. Export Administration Act, the U.S. Commerce Department has announced.

CBK-NY, the New York branch of the Commercial Bank of Kuwait, agreed to pay \$383,100 in civil penalties for 146 alleged violations, said Douglas Lavin, acting assistant secretary for export.

From February 1986 to April 1988, the bank allegedly received requests from various banks in Kuwait to engage in activities that would further the boycott against Israel, but it failed to report the requests "in a timely manner" to the Commerce Department.

The department's Office of Antiboycott Compliance discovered the violations during a routine audit of the New York bank in 1988.

As is usual in anti-boycott violations, the company agreed to pay the civil fine, while neither admitting nor denying the alleged violations.

TAXI DRIVER FIRED AFTER SAVING ARAB

By Hugh Orgel

TEL AVIV, Oct. 17 (JTA) -- A one-legged taxi driver who rushed a badly wounded stab victim to a hospital early Wednesday was fired by his employer because the injured man, an Arab, left bloodstains on the upholstery.

That is the story told by Nissim Tevel, 47, an Israel Defense Force veteran who lost a leg in the 1967 Six-Day War.

Tevel, who just started driving a taxi for Eliyahu Siman-Tov, saw Abdul Hakim Daoud, 27, stabbed by two assailants at a construction site where Daoud was employed as night watchman.

He delivered the wounded man to Sheba Hospital at Tel Hashomer, possibly saving his life.

Tevel said he was sacked because the upholstery must be replaced and that his boss told him he would have to pay for the two working hours lost while the cab was being cleaned.

The Hashekem taxi cooperative immediately suspended Siman-Tov's membership, pending a disciplinary court hearing.

KNESSET VOTES TO RAISE THRESHOLD PARTIES NEED TO WIN KNESSET SEATS

By David Landau

JERUSALEM, Oct. 17 (JTA) -- The Knesset took a modest step toward electoral reform Monday by passing into law a private member's bill that almost doubles the number of votes a party needs to enter parliament.

In a measure that sailed through the house by a vote of 68-11, the so-called "threshold" was raised from 1 to 1.5 percent of the total votes cast in national elections.

The measure is intended to eliminate tiny splinter parties. Small factions of similar ideology are expected to merge into a single party to improve their chances of Knesset representation.

In absolute numbers, the new threshold in the next elections is likely to be 40,000 votes. The last time voters went to the polls in 1988 it was 22,000. But the electorate has since grown.

Proposals for a higher threshold were fiercely opposed by most of the small parties, which threatened to withdraw their support from either the Likud or Labor blocs.

Meanwhile, the fate of more meaningful reform remains uncertain.

Four private bills calling for the direct election of the prime minister have passed the committee stage. Knesset Speaker Dov Shilansky announced Monday that he would combine them in a single measure to be brought to the floor for the mandatory second and third readings.

But the idea has encountered opposition within Likud, where until recently it had broad support. Prime Minister Yitzhak Shamir has expressed strong reservations about changing the present system.

FINANCIAL JOURNAL CREDITS ISRAEL WITH BETTER ECONOMICS THAN U.S.

By Hugh Orgel

TEL AVIV, Oct. 17 (JTA) -- An international financial journal credits Israel with a better economic performance than the United States.

According to Euromoney, a London publication specializing in international finance, Israel ranks 41st out of 126 countries with respect to "overall economic performance." The United States ranked 55th. Japan is No. 1.

The tabulation can be found in a special issue published for distribution to finance ministers and central bank governors attending the annual conference of the International Monetary Fund in Bangkok next week.

It notes that Israel's credit rating jumped from the world's 60th in 1990 to 38th in 1991, one of the biggest improvements of any country.

The credit rating is based on ability to repay debts, accessibility to international capital markets and such economic indicators as debt repayment compared to exports, and foreign debt compared to domestic product.

The Israeli daily Ha'aretz noted that the Euromoney report is especially timely considering the spate of articles in the United States recently which question Israel's ability to repay loans.

That issue was addressed in connection with Israel's request for U.S. loan guarantees so that it can borrow money commercially at favorable terms to finance the absorption of immigrants.

Euromoney also rated Israel's economic performance superior to those of Britain, Canada, Australia, New Zealand and South Africa.

JEW SKEPTICAL OF LITHUANIA'S INTENT TO HALT EXONERATIONS OF WAR CRIMINALS

By Debra Nussbaum Cohen

NEW YORK, Oct. 17 (JTA) -- American Jewish leaders have guardedly welcomed a Lithuanian Supreme Court justice's announcement that his government has halted the exoneration of war criminals imprisoned by Soviets after World War II and that it will reverse the rehabilitation of any who committed war crimes against Jews.

Jewish officials following the case are concerned that the desire of Supreme Court Justice Genadijus Slauta to rectify the situation is not shared by Lithuania's president, Vytautas Landsbergis, or by other government figures.

The New York Times on Thursday quoted Slauta as saying that his government had decided to reverse the miscarriages of justice after reviewing the trial records of five of the people who had been cleared.

Each exoneration was wrong, he told the Times.

"We were trying to rehabilitate everybody as quickly as possible," he reportedly said. "Now we are sorry we acted so rapidly. We see serious errors were made."

But Landsbergis, told Wednesday that trial records proved some of those who had been cleared of wrongdoing had indeed engaged in war crimes, denied that any had been pardoned in error.

The trial records of 11 people were provided to the Lithuanian officials by the Los Angeles-based Simon Wiesenthal Center.

The center obtained them from two legal professionals in Vilnius who found them in government archives there, according to Rabbi Marvin Hier, the center's dean.

Evidence in the first four of the cases was sent to Lithuanian authorities on Aug. 27, 1991. None of those exoneration was reversed, according to Hier.

Evidence showing the guilt of the other seven was sent to Landsbergis last week, Hier said. He does not know which five of them Slauta decided to reverse.

Suggests Evidence Planted By KGB

Landsbergis on Wednesday also suggested that the evidence had been planted with the Holocaust research organization by the KGB, in an effort to discredit Lithuania, according to the Times story.

Those exonerated who had spent time in prison receive back pay for the time that they were wrongly imprisoned. If they have subsequently died, as have many of the 35,000 exonerated so far, then their next of kin receive the money, Hier said.

There is some question about the source of those funds. The Lithuanian government is bankrupt, and Landsbergis has been lobbying other governments for foreign aid.

Present Lithuanian law provides no procedure for the reversal of exoneration, according to the Times story.

But Aristidas Pestininkas, vice president of the Supreme Court, said the parliament would be asked to amend the law.

"What you have is a very positive development that the judicial branch has stepped in, but we have to note with skepticism that the political leaders are still using the bizarre charges that this is a plot," said Hier.

"The battle is far from over," he added. "I'm afraid that unless we get the backing of the political leaders, it may not be enough. It's easy to get a pronouncement of willingness to cooperate from the government, but when it comes down to the nitty-gritty, they're not helpful."

"We are advanced from where we were" with the effort, said Abraham Bayer, director of international concerns at the National Jewish Community Relations Advisory Council, an umbrella group representing 113 local Jewish community relations organizations and 17 national agencies.

Hier of the Wiesenthal Center called upon the Lithuanian government to set up an independent commission of inquiry to examine and review all cases of alleged crimes involving collaboration with the Nazis, and to make public the list of the 35,000 individuals who he said have been exonerated.

"We want to know who they are," Hier said. That way, "potential witnesses who may be aware of crimes committed during the Holocaust will have no fear in coming forward with their evidence."

FRENCH COURT UPHOLDS PRISON RELEASE FOR FRENCHMAN ACCUSED OF WAR CRIMES

By Michel Di Paz

PARIS, Oct. 17 (JTA) -- Paul Touvier, a 76-year-old wartime Nazi collaborator, will probably never return to jail where he was held in 1989 pending trial after his indictment for crimes against humanity.

That was the reaction of Nazi-hunter Serge Klarsfeld when the Court of Appeals on Thursday upheld a release order for Touvier, issued July 11 by the Paris Chamber of Accusations.

His release outraged war veterans and former resistance fighters, whose organizations, supported by the Paris attorney general, appealed in vain.

Touvier headed the French collaborationist organization Milice during World War II in Lyon, where the notorious war criminal Klaus Barbie was Gestapo chief.

A 15-year manhunt for Touvier ended two years ago when he was arrested at a convent in Nice in the south of France.

Given his age and poor health -- he is suffering from bladder cancer -- the court's decision makes it unlikely that Touvier will be brought to justice, Klarsfeld told the Jewish Telegraphic Agency.

"It means that Touvier is regarded with some indulgence," he added.

Barbie, too, was taken from his prison cell last month because he suffered from terminal cancer, from which he died.

President Francois Mitterrand is widely known not to favor the "reopening of unhealed wounds."

He believes that trying people associated with the Vichy regime would only "upset the civil peace."

Two other veterans of the Vichy era indicted for crimes against humanity but nevertheless free, are Rene Bousquet, 82, who headed the Vichy police, and Maurice Papon, 81, responsible for deporting Jews from Bordeaux.

Despite his collaborationist past, Papon went on to command the Paris police in 1961, when they massacred more than 200 Algerians by clubbing them or drowning them in the Seine.

HERZOG, IN CZECHOSLOVAKIA, MEETS OFFICIALS, MARKS HOLOCAUST EVENTS

By Josef Klansky

PRAGUE, Oct. 17 (JTA) -- The visit of Israeli President Chaim Herzog to Czechoslovakia this week, the first by an Israeli chief of state, has had a dual focus.

Herzog's meetings with President Vaclav Havel and other top officials of the federated Czech and Slovak republics underscored the normalization of relations between their countries, which had no diplomatic ties until April 1990, after Communist rule ended in Prague.

The state visit also coincided with an affirmation by the Czechoslovak authorities that Jews were in fact the primary victims of the Nazi genocide in their country.

That had gone unacknowledged during the 40 years of the Communist regime.

The official amnesia was discarded at two solemn ceremonial events. On Wednesday, a tablet was unveiled at a location in Prague where 45,513 Jewish men, women and children were forced to assemble to be "dragged away" -- in the words of the inscription.

Their destination was Terezin, also known as Theresienstadt, a ghetto about 40 miles north of Prague which was for most of the Jews a temporary way station from where they were deported to the ghetto of Lodz in occupied Poland.

On Thursday, Herzog and Havel visited Terezin, where a small museum has been opened as a Holocaust memorial, long forbidden by the Communist authorities.

At least 140,000 Jews passed through that town, and 80,000 were killed from 1941 to 1945.

The memorial tablet on the long-forgotten Prague corner was designed by a former concentration camp inmate, Helga Hoskova, who was 13 when she was deported. It is inscribed with the Hebrew word "yizkor" (remembrance).

In the ceremony Wednesday, the tablet was unveiled by Prague's deputy mayor, Jiri Exner, in front of a Czechoslovak army guard of honor.

Michaela Vidlakova, who was 6 when she was deported from that spot, spoke on behalf of the victims and survivors.

Hundreds At Ceremony In Terezin

On Thursday, a memorial was held in Terezin itself. Present were hundreds of other survivors or their descendants from various countries, as were Herzog and Rabbi Arthur Schneier of New York, representing the U.S. Commission for the Preservation of America's Heritage Abroad.

The guests heard a concert by the American Boys Choir from Princeton, N.J., who sang songs fashioned from the children's poems written in Terezin collected in the volume "I Never Saw Another Butterfly."

The chorus was conducted by Cantor Charles Davidson of Adath Jeshurun Congregation in Elkins Park, Pa. Davidson wrote the music, under a commission by the Cantors Assembly.

The state protocol of Herzog's visit began Monday, when the Israeli head of state visited the presidential residence in Prague to return Havel's call on him in Jerusalem last year.

They discussed strengthening relations between their countries, prospects for peace in the Middle East and making available Jewish sites and objects in Czechoslovakia.

Havel said Czechoslovakia is looking hopefully forward to the proposed Middle East peace

conference and is ready to contribute to its successful outcome.

He mentioned in that connection the government's decision to halt arms exports to the Middle East, for which his office had an important role.

On Tuesday, Herzog met with Alexander Dubcek, chairman of the Federal Assembly, who was the Czechoslovak leader during the Prague Spring of 1968. Herzog addressed members of several committees of the Czech parliament, which is not presently in session.

With members of the foreign diplomatic corps attending, the Israeli president recalled the words of Jan Masaryk, who, as foreign minister more than 40 years ago, said, "The foundation of a Jewish state was one of the greatest political ideas of our times" and "anti-Semites are potential murderers, whose place is in prison."

Herzog spent Wednesday in Bratislava, capital of the Slovak republic.

Before ending his visit, he and Havel will attend a performance of Verdi's Requiem at Prague's Smetana Hall. The work was performed by the Terezin prisoners from 1943 to 1944.

ANTI-SEMITIC PREACHER GOING TO JAIL

By Henriette Boas

AMSTERDAM, Oct. 17 (JTA) -- A self-styled Gospel preacher who wrote that Auschwitz was punishment for the Jews for not accepting Jesus as the Messiah was sentenced Wednesday to two months in jail by a district court in Zwolle, a town of 87,000 in north-central Holland.

Jenny Goeree published the article in her paper "Evan" this month and in earlier editions, for which she received a suspended sentence.

Claiming not to be anti-Semitic, she nevertheless has been writing and preaching that Jews have been punished for rejecting Jesus.

On hearing the sentence, she told the court it was "a shame I am going to jail for telling the truth and preaching the Gospel while anti-Semites walk free in the streets."

JEWS ANGRY OVER EULOGY FOR ANTI-SEMITES

By Tamar Levy

GENEVA, Oct. 17 (JTA) -- The eulogizing of an anti-Semitic poet on the 50th anniversary of his death has angered the Jewish community, and at least one newspaper was provoked to criticize local events aimed at "rehabilitating" Rene-Louis Piachaud, who died in 1941.

The daily Le Nouveau Quotidien used a front-page editorial to question how the organizers, including leading Swiss personalities, could fail to mention that the poet was best known for his anti-Semitic, racist views.

Piachaud, who expounded his views in a paper called Le Pilori (The Pillory), was a great admirer of the Italian fascist dictator Benito Mussolini. Piachaud regularly slandered Jews for being "arrogant" and "wanting to dominate the world and destroy the culture and sights of their own towns for their profit."

The Office of Coordination Against Anti-Semitism, recently established by the Geneva Jewish community, expressed indignation in a letter to the groups commemorating Piachaud.

"Before and during the Second World War, he openly propagandized against Jews and black people at the very time when Hitler was destroying the Jews in Europe," the letter said.