

**RABIN GEARS UP FOR KENNEBUNKPORT
WITH SERIES OF NEW YORK MEETINGS
JTA Staff Report**

NEW YORK, Aug. 9 (JTA) -- Israeli Prime Minister Yitzhak Rabin conferred with U.N. Secretary-General Boutros Boutros-Ghali on Friday and held a number of private meetings here over the weekend with personalities ranging from New York Mayor David Dinkins to former President Richard Nixon.

But the high point of his first visit to the United States since becoming prime minister last month is expected to be his meetings with George Bush on Monday and Tuesday at the president's vacation home in Kennebunkport, Maine.

Israeli news media predicted confidently over the weekend that the day and a half of talks in Maine would result in a public announcement on Tuesday of the administration's decision to provide guarantees enabling Israel to borrow billions of dollars in commercial loans to aid immigrant absorption.

A senior U.S. official gave credence to those reports by telling reporters in Kennebunkport on Sunday that the United States and Israel were close to an agreement on a "large, multi-year package" of loan guarantees.

But "there are still gaps," the official cautioned, adding: "We'll have to let the two gentlemen work it out."

Israeli news commentators were also upbeat on the prospects of the two leaders reaching a solid understanding, if not full agreement, on the course of future progress in the peace process.

Rabin has stressed that by agreeing to a month of peace talks in Washington, despite Israel's preference for a venue nearer to home, he is signaling to all concerned parties that his new government "means business" on the peace front.

Israeli officials say the same message was intended by Rabin's appointment of Tel Aviv University Professor Itamar Rabinovich, an expert on Arab affairs, as head of the negotiations with Syria, in place of hard-liner Yosef Ben-Aharon, a close aide to former Prime Minister Yitzhak Shamir.

Meeting With Clinton Planned

The Israeli side also hopes to win reinforced military support, in the form of both advanced hardware and closer intelligence cooperation, especially Israel's access to "real time" information involving its Middle Eastern enemies.

Overshadowing the talks, however, is Bush's mounting problems at home and abroad, including his drastic slippage in the popularity ratings.

Rabin, for his part, will be bending over backward during this visit not to be seen to be taking sides in the American election race.

He is scheduled to meet for an hour Wednesday in Washington with Democratic presidential nominee Bill Clinton and reportedly is taking care to say nothing that could be construed as support for either candidate.

While in Washington, the prime minister also will meet with senior Bush administration officials and members of Congress. He will return to New York on Thursday for a meeting with the Confer-

ence of Presidents of Major American Jewish Organizations.

Rabin's meeting with the U.N. secretary-general on Friday focused on the Middle East peace process.

When Boutros-Ghali, who is Egyptian, expressed interest in greater U.N. involvement in the peace negotiations, Rabin reportedly emphasized politely that Israel was determined to stick to the format agreed to last fall in Madrid, which gives the United Nations only a limited observer role.

Joining the prime minister at the meeting was Tami Arad, wife of missing Israeli airman Ron Arad, who disappeared in Lebanon six years ago and is believed to be held by Shi'ite groups.

They expressed concern that the United Nations was falling behind in its commitment to secure the release of Arad and any other missing Israeli personnel who might still be held by Shi'ite groups.

According to an Israeli official, the U.N. secretary said he had personally discussed this issue with officials in Teheran and Islamabad, the capitals of Iran and neighboring Pakistan.

Earlier in the day, Rabin met with Mayor Dinkins, and on Sunday, he conferred with former President Nixon. He was scheduled to meet Sunday evening with former Secretary of State Henry Kissinger.

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

**FURIOUS SETTLERS CONFRONT IDF
AS RABIN PREPARES TO MEET BUSH
By Gil Sedan**

JERUSALEM, Aug. 9 (JTA) -- In an action timed to coincide with Prime Minister Yitzhak Rabin's visit to the United States, Jewish settlers held an angry and sometimes violent confrontation Sunday with Israeli soldiers as they unsuccessfully attempted to introduce a new Jewish presence in Hebron.

Just as they set up mini-settlements to greet visiting U.S. Secretary of State James Baker when the right-wing Likud government was in power, the restless settlers sought to erect some sort of edifice that would declare their refusal to reconcile themselves with the Palestinians.

The latest confrontation ended with an agreement in which the settlers gave the army their word that they would evacuate the "building" -- four brick walls without a roof -- and try to get the necessary permits for a settlement.

The Israel Defense Force, for its part, committed itself not to demolish the structure within the next two weeks.

The confrontation revolved around the improvised building, which was set up overnight in an area between Kiryat Arba and a nearby neighborhood known as Harsina Hill.

The settlers fenced themselves inside and challenged the army to let them stay.

The settlers named the structure Lev Yehuda (The Heart of Judea), and announced that this was the first building in a new neighborhood which would link Kiryat Arba with its remote extension, Harsina Hill.

As the settlers refused to leave the struc-

ture, soldiers were sent to evacuate them physically. The confrontation at times escalated into fistfights.

Two settlers were sent to a local clinic, one reportedly suffering from dehydration. The other claimed he had been struck by an IDF officer.

Police tried to detain 10 of the settlers. But just as the police van was about to leave the site with the settlers inside, the car's wheels were punctured, and it was unable to move.

The confrontation ended with the compromise, and the detainees were released.

Units In Moslem Quarter Occupied

The army, in a statement issued Sunday night, said legal investigations into the settlers arrested at Hebron earlier would continue, despite the amenable "truce" that had been secured.

The army said such actions detract from its genuine military duties.

In the meantime, settlers in the Moslem Quarter of Jerusalem's Old City announced Sunday night that they would occupy several apartments that had been legally purchased.

Ten Jewish families entered the four buildings in the Moslem Quarter at nightfall with no immediate incident.

Police were beefing up patrols throughout the walled city throughout the night, and Police Minister Moshe Shahal issued strict orders to prevent any breaches of the peace in whatever quarter.

But Shahal and his advisers resolved not to interfere with this latest move, as the buildings concerned appear to have been legally purchased by the Ateret Cohanim yeshiva and three other Jewish associations involved in purchasing real estate in the Old City.

Police sources said the purchases would be carefully examined in the days ahead.

Shahal said police would act against extremists of both sides who would try to take advantage of this situation.

ISRAEL TO LIFT BAN ON CONTACTS WITH PLO OFFICIALS, PERES SAYS

By Ruth E. Gruber

ROME, Aug. 9 (JTA) -- Israel's new government will move to decriminalize contacts with the Palestine Liberation Organization.

Israeli Foreign Minister Shimon Peres told an Italian newspaper that the government would propose legislation, when the Knesset reconvenes in October, lifting the six-year ban on contacts between Israelis and the PLO.

But in an interview with the Rome newspaper *Il Messaggero*, Peres played down the prospect of any future meeting with PLO leader Yasir Arafat.

"We don't need theatrics," Peres said. "We need progress. I understand why (Arafat) is interested (in a meeting) but I don't see what benefit there would be."

In Jerusalem, the Justice Ministry said it was drafting an amendment to the 1986 law forbidding contact with terrorist organizations, including the PLO.

"We have a deep obligation to change this stupid law," Deputy Foreign Minister Yossi Beilin told Israel Radio.

"Everyone thinks this law is idiotic, that you cannot meet with someone connected with the Palestine National Council (a PLO body) even if he is a professor in a Washington university."

SHIN BET ARRESTS TERROR GROUP RESPONSIBLE FOR RECENT KILLINGS

By Gil Sedan

JERUSALEM, Aug. 9 (JTA) -- Israel's General Security Service, more widely known as the Shin Bet, recently scored a major victory in the ongoing struggle against the terrorist organizations in the administered territories.

The domestic intelligence service apprehended members of the Moslem fundamentalist Az-a-Din Al-Kassem group, which is allegedly responsible for the murder of eight Israelis and at least 20 Palestinians suspected of having collaborated with the authorities.

The arrest of the terrorists was regarded here as a major blow to one of the most dangerous groups which identify with Hamas, the Moslem fundamentalist terrorist organization.

According to Palestinian sources, members of the group were actually turned over to authorities by Palestinians identified with the mainstream Al Fatah organization, which could no longer tolerate the terror carried out by the fundamentalist group, mostly in the Gaza region.

The 15 members of the group have been operating in the Gaza Strip for the past two years. In the past year, security forces have killed several members of the group, and others were apprehended, some during an attempt to flee to Egypt.

The last three active members of the group were caught last week in an apartment in the West Bank town of El Bireh, north of Jerusalem, following intelligence reports.

A senior officer disclosed Sunday that the security forces had been searching throughout a wide area when a reserve soldier spotted suspicious activity in an apartment which turned out to be the hideout of the wanted terrorists.

Murders In Jaffa And Gaza

Security sources believed the three men apprehended -- Mahmoud Ali Mahmoud Harej, Mahmoud Jamahin Abu-Ayyash and Mahmoud Abdul Karim Tayeb, all of Gaza -- had moved to the West Bank in an attempt to leave the country, as they felt they were close to being caught.

The security sources said that in the apartment they found Karl Gustav submachine guns, as well as ammunition and hand grenades.

They also found forged Israeli identity cards, as well as a folding rubber boat.

Probably the most incriminating items in the cache were videocassettes on which were recorded the murder of two Israelis, as well as the brutal interrogation of Palestinians suspected of collaboration with the authorities.

The cassettes were apparently used as a means of recruiting Palestinian youngsters.

The Al-Kassem gang was allegedly responsible for the murder of three Israelis in an aluminum plant in Jaffa in December 1990, and five other stabbing attacks of Israelis in the Gaza Strip. Their latest attack took place on June 25, when they stabbed to death Moshe Bino, 49, of Ashkelon and Amikam Salzman, 59, of Ness Ziona, who owned a packing plant in the Gaza Strip.

The Al-Kassem group allegedly received spiritual guidance from Sheikh Ahmed Yassin, the religious leader of the Moslem fundamentalist group Hamas. Yassin is serving a life sentence in an Israeli prison for his involvement in the murder of Israel Defense Force soldiers Ilan Sa'adon and Avi Sasportas several years ago.

ISRAELI NAVY FOUND AND KILLED 4 TERRORISTS OFF LEBANESE COAST

By Hugh Orgel

TEL AVIV, Aug. 9 (JTA) -- An Israeli naval force patrolling the Lebanese coast north of Beirut last week intercepted and killed four seaborne terrorists, an Israel Defense Force spokesman has confirmed.

The clash occurred in the middle of the week, while the navy was carrying out a training exercise not far from the Lebanese coast.

The Israeli sailors opened fire on the four, killing all. There were no Israeli casualties, the IDF spokesman said.

This is believed to be the first operation of the Israeli navy under its new commander, Maj. Gen. Ami Ayalon, who is a known advocate of special operations.

After an almost three-year absence of this kind of "deep-in-enemy territory" activity, the new combination of the IDF chief of staff, Lt. Gen. Ehud Barak, and Ami Ayalon promises many more surprises for terrorists, Israeli newspaper analysts say.

From the IDF's perspective, this naval operation represents one more success in the campaign to frustrate other infiltration efforts.

The navy has more than once announced that it maintains the right to conduct ongoing security operations outside Israeli territorial waters and to conduct routine activity in the open seas off the coast of southern Lebanon.

The navy's primary confrontations take place with Palestinian and Shi'ite terrorist organizations, which are developing a naval capability to infiltrate Israel.

As the IDF achieves greater success in thwarting land-based penetrations from its so-called security zone, the potential for attacks from Lebanese coasts and waters increases.

Along the Lebanese coasts, there are about 80 improvised docks, some of which can be of use by terrorists. Rubber dinghies, fishing boats and racing crafts in their possession can be put to sea by terrorists from almost any location.

Assistance From Libya

The majority of the Palestinian terrorist organizations, particularly Al Fatah and Ahmed Jabril's Popular Front for the Liberation of Palestine-General Command, are assisted in their training by the Libyan navy.

In the past, terrorists from these groups have even departed directly from Libya to carry out attacks against Israel.

Recently, in the wake of international pressure on Libya, rumors have circulated in the West that this assistance is about to stop.

But terrorists have other organizations, tied to the Islamic fundamentalist organization Hezbollah, which have already tried to carry out infiltration attacks from the sea. There have been incidences of sea mines planted, ambushes laid and attempted suicide missions against Israeli navy patrol boats.

Over the past two weeks, there has been stepped-up IDF activity against terrorist bases in Lebanon via air attacks and activity within the security zone.

The naval activity adds a new dimension to the struggle against terrorist incursions.

On Saturday morning, IDF troops killed two gunmen near Barasheet, along the northern perimeter of the security zone in its central sector.

INQUIRY INTO MUNITIONS BLAST FINDS SERIES OF SAFETY LAPSES

By Hugh Orgel

TEL AVIV, Aug. 9 (JTA) -- The panel investigating a blast at an Israel Military Industries installation two weeks ago has found a string of departures from normal safety procedures which led to the explosion.

The July 30 blast killed two workers at the plant and injured 47 people.

The commission of inquiry, headed by reserve Brig. Gen. Amos Horev, presented its findings and recommendations last week to Prime Minister Yitzhak Rabin, who also holds the defense portfolio.

The commission found that the blast was caused by carelessness in storing and handling gunpowder, and that this inattention was compounded by human error.

However, the panel could not pinpoint any particular act or lack of action to establish the exact cause of the initial blast.

The report instead described a sequence of events in which an initial explosion in an underground bunker created a chain reaction to other bunker.

It described it as "a series of human errors and a chain of tragic events."

Horev, who chaired the commission, is a former ammunition corps commander and quartermaster general.

Insufficient attention to safety measures was evident both at the Nof Yam site, north of Tel Aviv, and at other Israel Military Industries installations in which explosions have resulted in loss of life, the report said.

These incidents have all occurred in the Greater Tel Aviv area in recent years.

Explosives had been stored not only in the independent underground and concrete-lined bunkers but also in open spaces around them, facilitating the chain reaction, the commission found.

But the commission did not place blame at the door of any individuals.

IDF UNDERCOVER UNITS TO BE EXPANDED

By Hugh Orgel

TEL AVIV, Aug. 9 (JTA) -- The controversial Israel Defense Force undercover units operating in the administered territories will be enlarged in the coming months, according to an unnamed senior military source quoted by the Israeli daily Ma'ariv.

Such a move will be made necessary because of impending Palestinian autonomy, according to the Aug. 7 report.

The IDF believes autonomy will create a situation in which the defense of Jewish life in the territories will be difficult and complex.

To this end, the source said, it will be especially vital to have units that are capable of operating against known terrorists without coming into friction with innocent people or in populated areas.

The two existing units, code-named "Dudvevan" (Cherry) in the West Bank and "Shimshon" (Samson) in the Gaza Strip, are suitable to the task, the source stressed.

The IDF rejects the criticism that has been leveled at the units and intends to strengthen and continue to operate them as a spearhead of activity in the territories, the source said.

NEW GROUP FILING MATERIAL CLAIMS AGAINST EAST EUROPEAN COUNTRIES

By Susan Birnbaum

NEW YORK, Aug. 9 (JTA) -- A new international coalition of Jewish groups has been formed in Jerusalem to seek restitution for Jewish individual and communal assets seized by Nazi and communist governments in Eastern Europe.

The formation of the Jewish Restitution Organization, which united eight established Jewish groups, marks the first effort to address reparations from Eastern European nations, rather than just Germany.

The decision to launch this project was made in June in Madrid during a meeting of the Conference of Jewish Material Claims Against Germany, which is a member of the new group.

Edgar Bronfman, president of the World Jewish Congress, which is a constituent of the new group, will serve as chairman.

Benjamin Meed, president of the American Gathering of Jewish Holocaust Survivors, also a member, said the group's mandate "is to try to locate the unclaimed properties and belongings which were left over in Europe of millions of people. There are individual claims but there are also communal claims for which the group will have to apply."

"I think it is an important undertaking which will, if managed right, probably do a little bit of justice for those who left behind them beautiful institutions -- although they will never be returned the way they were," said Meed.

The seized assets are said to be worth billions of dollars.

The organization has already begun analyzing legislation in the once-Communist countries providing for the return of property from the state, said Israel Singer, secretary-general of the WJC.

The Eastern European Jewish communities affected by these efforts will be represented by the WJC and will take part in the negotiations, said Elan Steinberg, WJC executive director.

Additional Money For Victims

The new coalition's agenda includes not only individual monetary compensation but restitution of confiscated property.

In addition, the Claims Conference, acting independently, has decided to embark on a determined effort to obtain additional money from Germany for victims of the Nazis who have until now been unable to be compensated.

Many of those are survivors who have been living in the Soviet Union and other Eastern European countries.

Dr. Israel Miller, president of the conference, said the Claims Conference Hardship Fund, a special endowment created to compensate Jewish Nazi victims who left Eastern Europe after 1965, has paid out about \$300,000 in the past 10 years.

"Two-thirds of the beneficiaries are Nazi victims from the former Soviet Union," Miller said.

About 60 percent of these live in Israel and some 30 percent live in the United States, according to Saul Kagan, executive director of the conference.

Kagan said the conference continues to receive large numbers of applications from Nazi victims among recent emigres from the former Soviet Union. In 1991 alone, the conference received 31,000 applications.

Members of the new Jewish Restitution

Organization include the Claims Conference, the WJC, the American Gathering of Jewish Holocaust Survivors, the American Jewish Joint Distribution Committee, B'nai B'rith International, the Jewish Agency, the Center of Organizations of Holocaust Survivors in Israel and the World Zionist Organization.

ANOTHER AUSTRALIA NAZI CASE FOUNDERS, THIS TIME BECAUSE OF FUNDING PROBLEM

By Jeremy Jones

SYDNEY, Australia, Aug. 9 (JTA) -- The Australian government has confirmed that a fourth case against an alleged Nazi war criminal will not be tried because funding for crucial final investigations will not be made available.

Media reports have identified the man as a 79-year-old resident of Melbourne who was an officer and committed the alleged crimes in Latvia during World War II.

Australia's Special Investigations Unit, appointed to prepare evidence against Australian residents accused of crimes against humanity during the Nazi occupation of Europe, was funded until June 30, the end of the fiscal year.

The decision not to proceed with the case follows statements by Graham Blewitt, the unit's former director, that there was enough evidence collected to establish a strong prima-facie case against the alleged war criminal.

But there is no consensus among other government officials on how near the investigation had come to producing the evidence required to bring the case to trial.

Although it is technically possible that further trials may occur in Australia, it is now considered unlikely that there will be any new war crimes cases introduced in Australia.

There have been no convictions in Australia's cases against alleged Nazi war criminals, and there have been several procedural setbacks since January 1990, when Ivan Polyukhovich became the first person to face prosecution under Australia's War Crimes Amendment Act, which was enacted in December 1988.

Polyukhovich has formally pleaded not guilty to all charges.

Funding Cut Protested

Last month, a magistrate dropped charges against the second accused, Mikolay Berezowsky, saying there was "no case to answer." The magistrate, David Gurry, ruled that there was a lack of eyewitness evidence after not allowing prosecutors to travel to the Ukraine to collect eyewitness evidence.

Berezowsky will possibly face charges in Australia's Supreme Court.

The third man, Heinrich Wagner, will appear before the court later this month.

All the alleged crimes in these cases took place in the Ukraine.

Australia's foundering war crimes procedures have raised the hackles of the former director of the U.S. Justice Department's Office of Special Investigations.

Allan Ryan, who was OSI chief from 1980 to 1983, wrote to then Australian Prime Minister Bob Hawke last December after hearing that funding for war crimes trials in Australia would be halted in June.

Ryan asked the prime minister to "reconsider and reverse the decision to discontinue the activities of the Special Investigations Unit."