

**ISRAEL SELLING WEAPONS TO CHINESE, U.S. ALLEGES**

By Deborah Kalb

WASHINGTON, Oct. 12 (JTA) -- In a move with the potential to harm U.S.-Israeli relations at a sensitive moment in the Middle East peace process, the United States has accused Israel of selling advanced military technology to China.

CIA Director James Woolsey said Israel has been selling possibly several billion dollars in defense technologies to Beijing for more than 10 years.

The CIA assessment appeared in a report released recently by the Senate Governmental Affairs Committee.

"We believe the Chinese seek from Israel advanced military technologies that U.S. and Western firms are unwilling to provide," the CIA said in written responses to senators' questions.

"The Chinese probably also hope that formalizing such ties will foster an environment in which they can recoup some of the cost they have incurred in more than a decade of acquiring defense technologies from Israel -- a cost that may be several billion dollars," the CIA said.

Israel has denied harming U.S. interests.

"Israel adheres to all of its commitments to the United States with regard to its relationship with China," Ruth Yaron, the Israeli Embassy spokeswoman, said in a statement Tuesday.

Israelis Play Down Issue

Israeli officials here were playing down the significance of the report and its timing.

They said they were not concerned that the issue could lead to a worsening of relations with the United States, because the two countries talked regularly about such issues and the United States was aware of what Israel was doing.

State Department spokesman Mike McCurry said the United States was in touch with Israel about technology transfer issues. He would not comment specifically on the latest reports.

Allegations about Israel selling sensitive weapons technology to China have been floating around for some time now, but the timing of this latest flare-up could raise questions here.

This controversy is rearing its head while Israeli Prime Minister Yitzhak Rabin is visiting China, the first Israeli prime minister to travel to Beijing since the two countries established diplomatic relations in 1992.

In addition, the U.S. accusations are being made public as the United States has been trying to bolster both Israel and the Palestinians while they try to implement their historic agreement for limited Palestinian self-rule in the West Bank and Gaza.

Sources here seemed relatively unconcerned about the controversy Tuesday, perhaps because the major newspapers in Washington did not carry reports on the issue.

Some in the pro-Israel community were taking a wait-and-see attitude about whether the issue would blossom into a full-fledged controversy.

Pro-Israel sources on the Hill said Tuesday that they were unaware of any action or concern about the report, so far.

ISRAEL OFFERS GOODWILL GESTURES AS TALKS ON REFUGEES OPEN IN TUNIS

By Gil Sedan

JERUSALEM, Oct. 12 (JTA) -- Israel has agreed to increase the number of Palestinians it allows to return to the administered territories from abroad each year from 1,000 to 5,000.

And it will allow 10 Palestinians deported during the 1970s for political activities to return to the territories with their families.

These goodwill gestures were announced by Israeli Deputy Foreign Minister Yossi Beilin on Tuesday in Tunis, where a new round of negotiations on the Palestinian refugee problem got under way.

The talks on the refugee issue, which were scheduled to last three days, are one of five sets of multilateral negotiations on Middle East regional issues taking place as part of the U.S.-brokered peace process launched in Madrid two years ago.

This is the first time any of the negotiations have taken place in an Arab country, and it marks the first visit by an official Israeli delegation to Tunisia, which has no official diplomatic contacts with the Jewish state.

The fact that Tunisia, an Arab country that is officially in a state of war with Israel, agreed to host the talks with Israeli participation is seen here as highly significant.

Before the talks began, Beilin told reporters that the refugee question is among the most delicate issues facing Israel and the Palestinians.

"The most difficult thing between us and the Arabs, especially the Palestinians, will be the question of refugees," he said. But he added that he believes "the problem is not insurmountable."

Under the accord Israel and the Palestine Liberation Organization signed in Washington last month, the two sides agreed to discuss within two years the plight of Palestinian refugees who fled Israel during the 1948 War of Independence.

The accord also called for immediate discussions regarding those Palestinians who left Israel during the Six-Day War of 1967.

PLO Council Approves Pact

Israel reportedly has assured the Palestinians that it will allow the return of those refugees, which has been banned until now, although Israeli officials will not confirm that any such promise has been made.

But the talks taking place in Tunis this week were not expected to deal directly with that sensitive issue. Describing the scope of the talks, Beilin said, "I think we can dedicate most of our discussions in the multilateral talks to some very concrete ideas in projects for the refugees themselves to better their standard of living."

The Israeli gesture on the return of Palestinians to the territories is seen as one such move in that direction.

The decision applies to Palestinians who had left for abroad on the condition that they would return within a certain limit of time. Under previous Israeli policy, those Palestinians who failed to meet the deadline were prevented from returning.

But now Israel reportedly intends to lift that

restriction. According to reports from Tunis, this could eventually allow the return of as many as 50,000 Palestinian refugees.

The refugee talks opened a day after the PLO's Central Council voted in Tunis to approve the accord on Palestinian autonomy signed with Israel last month in Washington.

The 107-member council, which serves as the steering committee for the larger Palestine National Council, approved the Israeli-PLO accord by a vote of 63-8, with 11 members abstaining.

The council also voted 78-0, with four abstentions, to elect PLO leader Yasser Arafat to head the Palestinian National Authority, a body to be established in the territories under the terms of the Israeli-PLO accord.

Arafat was scheduled to meet late Tuesday with Beilin, who is heading the Israeli delegation to the refugee talks.

The deputy foreign minister met earlier Tuesday with Yasser Abed Rabbo, head of the PLO's information department. The two reportedly discussed recent terrorist attacks against Israelis and the Arab economic boycott against Israel.

Beilin told Israel Radio that he had relayed to Rabbo the severity with which Israel views terrorist attacks against its citizens. But Beilin acknowledged that the issue was problematic since the PLO has not yet established a police force in the territories to deal with terrorist attacks.

But Beilin added that the real question is how Israel and the PLO will work together in the future to prevent such attacks.

On Saturday, two Israeli hikers were brutally murdered in Wadi Kelt, a popular hiking area near Jericho. The Islamic Jihad fundamentalist movement took responsibility for the savage attack.

HOUSE PASSES LAW ENABLING POSSIBLE U.S. AID TO PLO

By Deborah Kalb

WASHINGTON, Oct. 12 (JTA) -- The Palestine Liberation Organization moved one step closer to receiving U.S. aid as the House of Representatives passed legislation this week waiving some restrictions on dealings with the PLO.

Since Israel and the PLO signed their historic accord last month, the issue of U.S. aid to the PLO has been put on the fast track here.

The Clinton administration feels that certain congressional prohibitions on U.S. ties to the PLO were made obsolete by the agreement, and that they must be waived for the PLO to participate more fully in the agreement's implementation.

On Tuesday, the House passed legislation by voice vote that would waive certain provisions until Jan. 1, including lifting some restrictions on U.S. contributions to international monetary organizations that fund the PLO.

The legislation, titled the Middle East Peace Facilitation Act of 1993, includes language linking the waivers to a PLO renunciation of the Arab boycott. But the act does not make the waivers conditional upon a renunciation.

Under terms of this bill, and of a similar bill passed recently in the Senate, the president must certify to Congress that the PLO has abided by its recent commitments to renounce violence and to recognize Israel.

The House and Senate must now resolve some differences in their respective bills before the legislation goes to the White House for the president's signature.

BEHIND THE HEADLINES: ATTACK ON HIKERS SHAKES ISRAELI CONFIDENCE ON PEACE

By Michele Chabira

JERUSALEM, Oct. 12 (JTA) -- The brutal murder of two Israeli hikers on Saturday has dampened the optimism that many here have felt since Prime Minister Yitzhak Rabin shook hands with Palestine Liberation Organization Chairman Yasser Arafat on the White House lawn last month.

The attack was reportedly carried out by five Palestinians opposed to the mutual-recognition accord, which grants limited autonomy in the Gaza Strip and the West Bank town of Jericho.

According to witnesses, terrorists shot and then stabbed the young hikers at Wadi Kelt, a popular hiking site near Jericho.

Despite the prime minister's statement that "We never promised that the road to peace would be easy," many people here seemed unprepared for the attack.

While few Israelis -- even those fully in favor of the accord -- expected miracles overnight, people on both the left and right wings had been keeping their fingers crossed. A common refrain among opponents of the plan has been, "I honestly don't think it will work, but I'd love to be wrong."

The latest incident hit Israelis especially hard, political analysts say, because it occurred less than a mile from Mitzpeh Jericho, a Jewish settlement near Jericho.

Settlers in the region immediately blocked the Jerusalem-Jericho road to protest what they termed the "abandonment of our settlements."

Following the attack, the security chief of Mitzpeh Jericho, Brachiyahu Boaz told reporters: "It's no coincidence that this happened so close to Jericho. (The terrorists) are trying to show how easy it is now to attack Jews in the area."

'Murders Hit Us Very Hard'

This opinion isn't exclusive to residents of the territories, however.

"The area was singled out because Jericho will soon come under Palestinian autonomy," said Howard Metz, a Jerusalem dentist. "The attack on the hikers has shaken the confidence of a lot of people, happening so soon after the peace signing in Washington."

A weekend hiker, Metz said he "will think twice about hiking in the region, and if I go, it will be with someone carrying a gun. I won't stop hiking, but I will be more cautious in the future."

That is the advice being given by the Society for the Protection of Nature in Israel, whose guided tours are renowned for their high level of safety and preparedness. SPNI also issues hiking permits to groups, in coordination with the police and security forces.

According to the society, more than 150,000 people have hiked through the wadi this year.

"The murders hit us very hard, especially because the area is such a popular hiking destination," said an SPNI tour guide named Yaniv. "But this won't stop us from hiking, because the country is really very safe."

At the same time, the guide urged all hikers to seek information and advice from SPNI before embarking on a trip "off the beaten track."

"Peace, when it comes, will bring many positive changes. But as the latest incident illustrates, we still have a long way to go," he said.

PEACE NOW GETS NEW LEADER AS NEW JEWISH AGENDA FOLDS

By Larry Yudelson

NEW YORK, Oct. 12 (JTA) -- Americans for Peace Now expects to increase its profile and influence in the established American Jewish community, following the naming of an American Jewish Committee official as its chief executive officer.

Gary Rubin will move from the centrist AJCommittee, where he is director of national affairs, to the dovish Peace Now on Nov. 1.

And in an unrelated move, another organization that has long agitated for Israeli-Palestinian peace, New Jewish Agenda, has decided to fold its tent and go out of business.

The organization, which was founded in 1980, had closed its national office last year for lack of funds. Now local chapters will continue to operate in cities such as Detroit and Boston, but the national organization will cease to exist.

"It's difficult for progressive organizations to survive nowadays," said Ira Grupper, who was the group's national co-chairman.

He noted the irony of the organization disbanding even as its policies regarding Israel and the Palestinians, once regarded as anathema, are being accepted by the Israeli government.

Meanwhile, the hiring of Rubin to head Americans for Peace Now is being seen as a coup for that organization.

"It puts it solidly on the track of being not only part of the Jewish community but a leading and active player in the established Jewish community," said an official of another organization, who spoke on condition of anonymity.

APN, which is associated with the Israeli Peace Now movement, has long advocated policies such as mutual recognition of Israel and the Palestine Liberation Organization which placed it outside the mainstream of American Jewish organizational life, particularly under Israel's Likud government.

With the signing of the accord between Israel and the PLO, APN is one of a handful of Jewish organizations able to support the Israeli government's policies enthusiastically without appearing to flip-flop from long-held positions.

Pressburg To Be APN Washington Envoy

APN first moved toward the organizational mainstream following the Labor Party's victory in Israel's 1992 elections, when it sought admission to the Conference of Presidents of Major American Jewish Organizations.

Six months ago, in a hotly debated vote, the Conference of Presidents accepted APN's application. Critics had argued that the inclusion of the dovish group in the umbrella organization could prevent the conference from uniting in consensus behind the government of Israel.

The critics had put the spotlight on APN's chief executive officer, Gail Pressberg, whose activism for Middle East peace over the years had many times put her closer to the Palestinian stance than to that of the Jewish community.

Pressberg will now become APN's Washington representative, a post she held before assuming the duties of chief executive officer last year.

APN supporters hope Rubin's long service in the Jewish community will enable the group to help rally a consensus in the Conference of Presidents behind Israel's peace policies.

"We're acting now essentially in support of

the governmental position," said Rubin. "I still anticipate there will be many policy issues to be made down the road, having to do with the land, security issues, where people go physically," he said.

"Shalom Achshav (as Peace Now is called in Israel) will have its own position, and APN will be supporting those positions in the United States," he said.

SHAS LEADER LOSES IMMUNITY, PAVING WAY FOR COURT TRIAL

By David Landau

JERUSALEM, Oct. 12 (JTA) -- The Knesset has voted to remove the parliamentary immunity of the leader of the Shas party, who is now expected to stand trial before the end of the year on charges of bribery and misappropriation of funds.

Knesset member Aryeh Deri resigned as interior minister on Sept. 12 following a ruling from the High Court of Justice requiring him to step down because of the charges of financial misconduct that had been brought against him.

After Deri made the announcement last month that he would leave his post, officials of his fervently Orthodox Sephardic party said they would withdraw from the Labor-led coalition, which they joined when the government was formed last year.

Deri, in his mid-30s, had been interior minister for more than six years.

Following the Knesset vote, legal sources here said the charge sheet against Deri would be formally submitted to the Jerusalem District Court on Wednesday.

The Knesset voted on Deri's immunity during an open session Tuesday evening. The day before, the Knesset had ruled that votes on removing parliamentary immunity would no longer be conducted by secret ballot, as they had in the past.

The vote was 65-9, with one abstention.

There was no real tension surrounding the vote, since Deri himself had said he wanted his immunity waived so that he could prove his innocence in court.

But there was drama in the Knesset nonetheless when Deri made a speech accusing the state prosecution of a lack of good faith in its three-year investigation into the allegations against him.

Justice Minister David Libai, who was among the two dozen speakers in the debate before the vote, vigorously rejected Deri's charges.

Libai argued that Justice Ministry and senior police officials would hardly have risked crossing swords with so powerful a political figure as Deri had their motives been improper or their case weak.

Along with Deri's fate in court, the question remains whether the Shas party will rejoin the governing coalition.

Though it was not a formal decision, Shas in effect seceded from the coalition after the High Court of Justice ruled in September that Deri had to step down from his ministerial position.

Labor Party officials are hoping Shas will return to the coalition, which includes the liberal Meretz bloc. But Shas spokesmen demand that Prime Minister Yitzhak Rabin restate the party's position on the peace process with unambiguous language: that Jerusalem remain Israel's undivided capital; and there be no Palestinian state.

THIRD AUSTRALIAN TO BE CHARGED WITH WAR CRIMES PLEADS NOT GUILTY

By Jeremy Jones

SYDNEY, Australia, Oct. 12 (JTA) -- The third immigrant to Australia to be charged with crimes against humanity during World War II has pleaded not guilty to the charges.

Heinrich Wagner, 69, who was charged with crimes committed in Ukraine in 1942 under amended war crimes legislation, made his plea at the opening of the court proceedings Monday in Adelaide.

In his first appearance, Wagner denied involvement in both the murder of an estimated 104 Jews and the 1942 murder of 19 children of part-Jewish parentage in the Kirovograd region of Ukraine.

Wagner's supporters have been heartened by the acquittal earlier this year of Ivan Polyukhov, the first man charged in this country under the amended war crimes legislation.

The acquittal of Polyukhov, who was also charged with war crimes in Ukraine, came after the judge warned the jury that the many years that had passed since the crimes prevented the accused of mounting a proper defense.

Miholay Berezowsky, the second person in Australia charged with crimes committed during World War II, did not face a formal trial after a committal hearing resulted in a ruling that insufficient evidence existed to try him for murder.

According to Australian law, a trial on murder charges is preceded by a so-called committal hearing in which it is determined if there is sufficient evidence for a formal trial.

In September 1992, an Adelaide magistrate presiding over a committal hearing accepted as evidence drawings by an artist who said he had witnessed atrocities committed by Wagner, an ethnic German who lived in Ukraine.

Other witnesses included a man who served eight years in a Soviet prison for involvement in the crimes of which Wagner is accused; villagers who testified that Wagner wore a police uniform in 1942 and 1943; two witnesses who testified they saw a blood-splattered mass grave of Jews in the village of Ustinovka, where Wagner allegedly operated; and Wagner's former wife.

Australia's War Crimes Amendment Act was passed by Parliament in December 1988.

VERBAL ABUSE DRAWS 1-YEAR SENTENCE

By Michel Di Paz

PARIS (JTA) -- In what is being called the stiffest sentence of its kind in France, a man has been condemned to a one-year jail term for anti-Semitic verbal abuse.

Georges Anne, a 47-year-old electrician, was convicted by the Versailles Court of Justice of verbally abusing his neighbors for several years with anti-Semitic slurs.

Philippe Bataille, the legal representative of the International League Against Racism and Anti-Semitism, who was also suing Anne, said the sentence is the heaviest ever handed down for such an offense.

The Versailles court also ordered that its decision be posted on Anne's front door and published in various newspapers.

In addition, Anne has been required to pay a sum equivalent to \$20,000 in damages to his neighbors, as well as the equivalent of \$2,000 to the anti-racism league.

SENATE TO CONSIDER HATE CRIMES BILL

WASHINGTON (JTA) -- An ethnically diverse group of U.S. senators has introduced legislation that would increase penalties for crimes motivated by racism, sexism or xenophobia.

The hate crimes legislation, introduced Oct. 6, is identical to a bill already passed in the House of Representatives. It is based on model legislation created by the Anti-Defamation League and would enhance federal penalties for crimes motivated by a victim's race, religion, nationality, gender or sexual orientation.

Although the bill sailed through the House by voice vote, a tougher fight is expected in the Senate, said Michael Lieberman, ADL associate director. Lieberman pointed out that some senators have had problems approving legislation dealing with issues of sexual orientation.

The Senate bill's chief sponsors are Sens. Dianne Feinstein (D-Calif.), who is Jewish; Ben Nighthorse Campbell (D-Colo.), the only Native American in the Senate; and Carol Moseley-Braun (D-Ill.), the sole African American senator.

STATION HONORING DEPORTEES DEFACED

PARIS, Oct. 12 (JTA) -- A train station near the French capital that had just been dedicated to the memory of Jews who perished in the Holocaust has been defaced with swastikas.

Residents of the Paris suburb of Bobigny recently decided to dedicate a plaque to the memory of the 22,400 Jews who were deported from the local train station to the Nazi death camps in Eastern Europe during World War II.

The Bobigny train station was used after Allied bombings destroyed the nearby Drancy terminal in 1943.

Dedication ceremonies for the plaque took place last week with some 1,000 people attending. But within a few days, the walls of the now-unused train station were covered with swastikas.

George Valbon, mayor of Bobigny, asked the police to do their best to arrest and bring to trial those who painted the swastikas. He lashed out against Holocaust deniers. Recently, Holocaust-denial material was put in the mailboxes of all the residents of one of Paris's boroughs.

ISRAELIS RELEASE SPY EARLY

By Hugh Orgel

TEL AVIV, Oct. 12 (JTA) -- A former Israeli army intelligence officer who was serving a 12-year sentence for spying for an unnamed country has been released from prison four years early because of good behavior.

Yosef Amit, formerly a major in the Israel Defense Force Intelligence Corps, was released Tuesday after serving just under eight years' imprisonment.

Amit was found guilty in 1985 of preparing to pass confidential documents to an enemy agent. He denied the charges.

His arrest and trial were kept secret and no details of his crime have ever been released.

Legal experts said it was the first time that a person convicted here of espionage had been granted an early release. At the end of his imprisonment, Amit was moved around to prevent reporters from discovering when and where he would be freed. The media stalked out the gates of nearly all prisons throughout the country Tuesday morning, but no one reported seeing him.