

**TWO SEPARATE BOMB THREATS IN L.A.
FORCE EVACUATIONS OF JEWISH SITES**

By Tom Tugend

LOS ANGELES, Aug. 17 (JTA) -- A suspicious-looking metal box was exploded by police Tuesday afternoon at the Simon Wiesenthal Center, while at the same time a bomb threat forced evacuation of the University of Judaism here.

The metal box was discovered by private security guards shortly after noon, resting on the pedestal of a sculpture near the entrance to the Wiesenthal Center. At about the same time, police received an anonymous phone call that a bomb would explode at the center.

Police, the FBI and other law enforcement personnel responded immediately, cordoning off a stretch of Pico Blvd., and ordering the evacuation of several hundred people working at the center or visiting the adjoining Museum of Tolerance, according to Gerald Margolis, director of the center and museum.

The metal box was detonated by remote control about 5 p.m., but police would not say whether it contained any explosive material, pending laboratory tests. The all clear was given around 7 p.m.

At the University of Judaism, a bomb threat was phoned into the switchboard around 12:30 p.m. An immediate evacuation was ordered of about 200 people, including the university staff and participants in an Elder Hostel program, according to Mimi Sells, the university spokeswoman.

After two suspicious objects were sighted in the library and another part of the main building, the access road to the university was blocked off. The road block also cut access to and from Stephen S. Wise Temple, whose staff remained on the job.

After the suspicious objects were identified, the alarm was called off around 3:15 p.m.

The University of Judaism and the Wiesenthal Center also received bomb threats in the city's initial bomb scare three weeks ago, as did the Israeli Consulate. Those threats came in the wake of last month's bombing attacks against Jewish targets in Buenos Aires and London.

In advance of the High Holidays, the Board of Rabbis here has issued a security manual, prepared by the Anti-Defamation League, to 150 rabbis and synagogues in southern California. Security at the Jewish Community Building has been tightened to its highest level ever, said Dr. Steven Windmueller, director of the Jewish Community Relations Committee.

**NEGOTIATORS REACH FURTHER AGREEMENT
AS TALKS CONTINUE WITH JORDAN AND PLO**

By David Landau

JERUSALEM, Aug. 17 (JTA) -- Israel and Jordan agreed this week to begin active cooperation in the field of tourism, with plans to promote and market joint tourism packages to sites in both countries.

News of the development came Wednesday,

following a surprise meeting on the Israeli side of the Dead Sea between Israeli Minister of Tourism Uzi Baram and his Jordanian counterpart, Mohammed al-Adwan.

"Tourism is a peace industry," the Jordanian minister told reporters. "It flourishes in conditions of stability and security."

He said he hoped the plans would benefit both countries as well as other states in the region.

The agreement on tourism was reached a day after the two countries concluded an economic pact that will enable Jordan to export as much as \$30 million worth of goods to the West bank.

The economic agreement, which one Israeli official said would lead to the end of a Jordanian boycott of Israeli goods, will apply only to goods produced in Jordan. The goods will only be allowed into areas of the West Bank outside of Palestinian self-rule.

Wednesday's tourism agreement, according to an Israeli spokesman, will cover tours not only to Eilat, Aqaba, Masada and Petra -- popular tourist destinations in the two countries -- but also to Jerusalem and Bethlehem, despite the political complications involved in the unresolved status of the West Bank and Jerusalem.

The two travel ministers agreed to launch a joint travel promotion and marketing program at an international tourism congress scheduled to be held in Lisbon in November.

Reported Difficulties At Border Talks

The meeting of the two travel ministers took place as parallel Israel-Jordan negotiations continued among eight subcommittees at the Moriah Hotel on the Dead Sea.

Israeli sources reported difficulty in two key committees, focusing on borders and water. The sources said the parties had, in effect, remained locked in their opening positions.

In the border negotiations, Jordan has been demanding some 150 square miles of land along the border south of the Dead Sea, while Israel is claiming about 100 square miles in the same area.

On the Israeli-Palestinian negotiating track, meanwhile, Foreign Minister Shimon Peres promised Wednesday to extend Israel's help on the Palestinian economic front -- provided the Palestinians do all in their power to control terror in the areas under their control.

Peres made the announcement after a lengthy meeting in Cairo with President Hosni Mubarak that dealt with both the Syrian and Palestinian negotiating tracks.

Peres, who was visiting Alexandria, Egypt, for a meeting of the Israel-Palestinian liaison committee, said after meeting Mubarak that Syrian President Hafez Assad had told the Egyptian leader of his willingness to receive a delegation of American Jewish leaders in Damascus to discuss Israel-Syria relations.

Referring to the long deadlocked negotiations between the two countries, Peres said Assad's remarks "appear to be an advance, but should not be regarded as a breakthrough."

Environment Minister Yossi Sarid and Deputy

Defense Minister Mordechai Gur accompanied Peres at the meeting of the liaison committee, which is comprised of the highest level negotiators in the Israeli-Palestinian talks.

The Israelis met with senior negotiator Nabil Sha'ath and other top-level Palestinian officials, with the talks reportedly focusing on the financial problems confronting the Palestinians. The economic issues appear to be standing in the way of the next phase in the peace process known as "early empowerment."

Negotiators say they have virtually concluded accords on the transfer to the Palestinians of responsibility for health, education, tourism and welfare throughout the West Bank.

But implementation of early empowerment has been threatened by the Palestinians' ongoing inability to raise the aid promised by the international community. Donor countries apparently have been unwilling to follow through on the pledges until the Palestinian leadership sets up verifiable accounting procedures.

To help boost Palestinian finances, Israeli officials announced it will now start handing over to the Palestinian governing authority 75 percent of the income taxes collected from Palestinian workers from the autonomous areas working inside Israel.

Prime Minister Yitzhak Rabin, in comments Wednesday, cast some doubt on the seriousness of current Palestinian security efforts, which Palestinian officials said would be shored up in the wake of two attacks by members of the fundamentalist Hamas movement Sunday.

Rabin said the ongoing wave of arrests of Hamas activists in Gaza was "political" rather than security-oriented.

CAPITAL GAINS TAX LANDS IN ISRAEL; STOCK MARKET CLOSES FOR A FEW DAYS

By David Landau

JERUSALEM, Aug. 17 (JTA) -- Finance Minister Avraham Shohat closed the Tel Aviv Stock Exchange this week after announcing a 10 percent capital gains tax on investments -- the first time such a tax has been applied in Israel.

Announcing the measure Tuesday, Shohat said the capital gains tax represented a measure of social justice in taxation policy.

He said he did not expect the measure to cause any serious jolt to the stock exchange, but he closed the exchange until Sunday in order to give market officials and investors a chance to plan their investments in light of the announcement.

The ten percent tax on profits and dividends from investments "has been long in the air, much talked about," Shohat noted. "Now it is time to act."

The move followed Monday's disappointing inflation figures for the month of July -- 1.1 percent -- confirming a current annual rate of inflation of 14.5 percent that far exceeds the 10 percent goal set by the government.

Market analysts tended to agree with Shohat's prediction that the move will not adversely affect investors, especially since certain major areas of the market -- such as pension funds -- are to be exempted from the new tax.

The tax, if approved by the Knesset, will go into effect Jan. 1.

The policy represents a reversal for Prime Minister Yitzhak Rabin, who said in June that there would be no capital gains tax while he was in office.

Questioned about his earlier statement, Rabin said Tuesday that for the good of the national economy, the government had the right to be tight-lipped about the possibility of future tax moves.

He added that the new moves reflected the government's determination to sustain growth, to put a lid on skyrocketing housing costs and to protect the public from rising inflation.

The finance minister, with Rabin's support, also announced a series of reductions on purchase taxes and duties.

Computers and related commodities will now be sold in Israel effectively free of duty. Auto spare parts and air conditioners will also fall in price as a result of the new measures.

Finance Ministry officials maintained that the estimated \$167 million that the government will earn from the proposed capital gains tax would go "back to the taxpayer" in the form of price reliefs and reductions.

In a parallel move, the Bank of Israel this week announced further liberalization of currency exchange laws. Israelis traveling abroad will now be able to take with them \$7,000 instead of the \$3,000 currently allowed. The new relaxation of currency laws will also permit more investment by companies and individuals in overseas stocks and bonds.

ISRAEL REJECTS EXTRADITION REQUEST, CLAIMING CONVICTION ALREADY OCCURRED

By Hugh Orgel

TEL AVIV, Aug. 17 (JTA) -- Israel has formally rejected a U.S. request to extradite former Israeli air force Brig. Gen. Rami Dotan, who was convicted of receiving kickbacks from U.S. defense contractors.

"We have told them, before they submitted any formal extradition request, that we would not comply because he was an Israeli citizen when the crimes were carried out," Justice Ministry spokeswoman Etti Eshed said Tuesday.

She said the extradition request would not be honored, in part, because Dotan was already tried in Israel for the same offenses he is wanted for in the United States.

In March 1991, Dotan pleaded guilty in Israel to 12 counts of corruption and bribery, including having illegally acquired \$12 million in bribes and kickbacks from U.S. companies he selected to supply equipment to the Israeli air force.

Dotan was serving as the air force's chief procurement officer in New York during the late 1980s when he accepted the kickbacks.

Under a plea-bargain agreement, he was sentenced to 13 years in prison. He was also demoted to the rank of private.

The case, which reinforced concerns among American officials that foreign military contracts were not being properly monitored, was the subject of investigations launched last year by the U.S. General Accounting Office into how U.S. military aid is channeled to foreign countries.

The largest recipient of U.S. foreign aid, Israel last year received \$3 billion, of which \$1.8 billion was directed to military purchases.

JEWISH GROUPS PRESS FOR PROBE INTO CHARGES OF SPYING BY SAUDIS

By Michael Shapiro

WASHINGTON, Aug. 17 (JTA) -- In the wake of allegations that the Saudi Arabian government is spying on American Jewish groups, the Anti-Defamation League and the Jewish Defense League are urging U.S. officials to investigate the charges.

A former Saudi diplomat who is seeking political asylum in the United States has leveled the spying charges against the Saudi government.

Mohammed al-Khilewi, who served as first secretary at the Saudi Mission to the United Nations until May of this year, also has charged that the Saudi government is supporting the Islamic fundamentalist movement Hamas, and that it funded Iraq's nuclear weapons program while trying to acquire nuclear weapons for itself.

Al-Khilewi, who claims his life is in danger since making his allegations, has been seeking asylum since late June. He said he has evidence -- a secretly taped conversation -- in which he was directly threatened by a Saudi official because of his activities.

Although many people have expressed skepticism of al-Khilewi's charges, sources on Capitol Hill have said that the allegations are being taken seriously.

One congressional aide said that although Saudi Arabia is a staunch ally, it is not a democratic, open country, and the charges need to be taken seriously and investigated thoroughly. In response to al-Khilewi's allegations that Saudi surveillance of American Jewish, Arab and Muslim groups has been a "permanent policy," Abraham Foxman, ADL national director, has asked the State Department to "expeditiously investigate" the allegations.

In a letter sent earlier this summer to Secretary of State Warren Christopher, Foxman wrote, "Surveillance by a foreign government in the United States against American citizens would be a serious violation of the hospitality of the host country and, possibly, an illegal violation of First Amendment privacy rights of American citizens."

'His Story Sounds Credible To Me'

Al-Khilewi has not publicly named the ADL as a target of Saudi surveillance, but he claims to have information on at least four Jewish groups that were spied on by the Saudi government, according to his spokesman, Michael Wildes.

Wildes' father, Douglas, a New York immigration attorney, is representing al-Khilewi in his quest for political asylum.

Al-Khilewi has refused to name other Jewish groups beyond the JDL and Jewish Defense Organization, two militant Jewish groups.

Irv Rubin, national chairman of the JDL, which was founded by the late Rabbi Meir Kahane, first heard about al-Khilewi's allegations on ABC's newsmagazine "20/20."

"His story sounds credible to me," Rubin said in a telephone interview from California. "I am very shocked by it because Saudi Arabia is supposed to be our friend."

Upset by al-Khilewi's charges that his organization has been spied on by the Saudi government, Rubin contacted U.S. Rep. David

Dreier (R-Calif.) and asked him to look into the charges.

After receiving Rubin's request, Dreier contacted U.S. Rep. Lee Hamilton (D-Ind.), chairman of the House Foreign Affairs Committee, to discuss al-Khilewi's allegations, according to Brian Bieron, Dreier's legislative assistant for foreign affairs. "These are serious allegations," Bieron said. "Congress will not let them fall through the cracks."

Al-Khilewi emerged from his isolation and protective custody to meet with members of Congress late last month.

Al-Khilewi and Wildes said the members of Congress with whom they met expressed interest in holding congressional hearings based on al-Khilewi's allegations, including its funding of Hamas. They would not identify the members whom they met.

"The Saudi royal family is involved in many terrorist activities all around the world," al-Khilewi said at a news conference on the steps of the Capitol building July 29.

The royal family, according to al-Khilewi, has sponsored terrorist activities in order to scuttle the peace negotiations between Israel and its Arab neighbors and to strengthen its undemocratic rule over the country.

The Saudi government is "trying to destroy the negotiations" by "encouraging activities against the peace," according to al-Khilewi.

However, when pressed by reporters to provide evidence supporting his charges, al-Khilewi did not offer any documentation.

The Saudi Arabian Embassy here did not return numerous requests for comment.

Michael Wildes criticized the U.S. government for not investigating his client's charges fiercely enough. He charged that the Clinton administration does not want to harm its relationship with the Saudi government.

However, FBI and State Department sources say they are looking into the matter and are considering al-Khilewi's request for asylum.

Wildes also said he fears that al-Khilewi's application for political asylum will not be judged fairly in the United States.

"This political asylum application places the United States government in a very awkward position because presumably the U.S. and Saudi Arabia are best friends and they would have to admit that their best friend is doing something wrong in their backyard," Wildes said.

While Jewish groups have asked for investigations of al-Khilewi's charges, Mustafa Malik, research director for the American Muslim Council, said his group has no specific information on al-Khilewi's allegations and it will not ask that the matter be investigated.

NEW ISRAELI ENVOY WAS A 'MENGELE TWIN'

BUDAPEST, Aug. 17 (JTA) -- Israel's new ambassador to Hungary, Joel Alon, is returning here after leaving Hungary in 1949 with his family, all of whom survived the Holocaust.

"It's a great satisfaction that after 45 years I can return to Hungary as ambassador representing Israel," Alon said in a telephone interview.

During the Holocaust, Alon, a twin, was a victim of the infamous experiments performed on twins by Auschwitz doctor Josef Mengele.

CANADIAN JEWS UP IN ARMS OVER ALLEGED SPY LINK WITH SUPREMACISTS

By Bram D. Eisenthal

MONTREAL, Aug. 17 (JTA) -- Canadian Jewish groups expressed outrage this week over reports that the nation's domestic spy agency has an alleged white supremacist on its payroll.

The Toronto Sun newspaper reported Sunday that Grant Bristow, a member of the Heritage Front, Canada's foremost white supremacist group, has been a paid informant for the Canadian Security Intelligence Service since 1989.

Bristow also reportedly helped plan a harassment campaign that contributed to clashes between racists and anti-racists last year.

He is said to be intelligence chief and co-director of security for the racist group, which was founded six months after Bristow's hiring by the intelligence service.

The Canadian Jewish Congress was furious at the revelations, which were described as shocking by Hal Joffe, the group's national community relations chairman.

"If the reports are true, then this is scandalous. We have to know if we, as taxpayers, have been funding the creation of hatred in this country."

Sources have indicated that Canadian taxpayers have a right to be concerned since Bristow reportedly was paid \$50,000-60,000 by CSIS in 1993 alone.

In the wake of the Toronto Sun report and the heated reaction it generated, Solicitor General Herb Gray said Tuesday that an independent review body would investigate CSIS' connection with the Heritage Front.

"In order to clear the air, we want the Security Intelligence Review Committee to look into the matter and make a report," Gray told reporters.

"I am confident that the SIRC will fully investigate the matter," Gray said, adding that it would not be appropriate to comment further until the review body had completed its work.

May Be That Security 'Has Made A Bold Move'

Officials with B'nai Brith Canada welcomed the news of an investigation and said there may have been good reasons for the Canadian intelligence service's alleged links to Bristow.

"At the end of the day, it may be discovered that CSIS has made a bold move with respect to the infiltration of white-supremacist groups in this country," said Frank Dimant, executive vice president of B'nai Brith Canada, in a statement.

"At this stage, to conclusively praise or condemn CSIS for its methods would be premature," he said, adding that if it is shown that the intelligence service was penetrating the information networks of Canada's hate group, "all those committed to fighting racism and intolerance will greatly benefit."

Bristow's past and identity are clouded in mystery. It is said by some that Bristow is not even his real name. He has told people that he's gay, single, married, a recovered alcoholic, and an orphan whose parents died in a boating accident.

A call to the Heritage Front's hot line in Toronto found a recorded message crediting Bristow with being a founding father of the

group. The voice on the recording is said to be that of Gary Schipper, who has "hosted" the line for more than two years and claims to have Jewish parents.

"CSIS created something that can't be stopped. White Canada should be grateful," the message said.

MUSLIM EXTREMISTS DECLARE TALKS WITH ISRAEL 'ILLEGAL, NULL AND VOID'

London Jewish Chronicle

LONDON, Aug. 17 (JTA) -- London's Wembley Arena erupted in cries of "Allahu Akbar" recently as thousands of Muslims cheered a call for the liberation of "all Muslim lands."

The call, meaning "God is Great" in Arabic, came in a stage-managed finale to the International Muslim Khalifah Conference, billed as the Western world's largest gathering of fundamentalist Muslims.

Farid Kassim, spokesman for Hizb ut-Tahrir, a radical Muslim organization that has been banned in Arab countries, told the 8,000 people filling the arena:

"All negotiations -- and let the media hear this -- conducted between Muslim countries and Israel are illegal, null and void and have no validity in Islam.

"This means there is no -- read my lips -- no peace with the State of Israel.

"All Muslim lands must be liberated, reunified with the Muslim world. Not one inch of land should be left!" he said.

The conference, held Aug. 7, was organized by the Muslim Unity Organization, a group that was established last year. But the driving force behind the conference was Hizb ut-Tahrir, which accuses Muslim regimes of despotism.

Word that the conference was to be held had sparked protests from members of Parliament and the leadership of the Jewish community.

And members of Britain's Muslim community of 1.5 million, the vast majority of whom oppose radical fundamentalism, also expressed concern.

There was speculation that some of the costs of the rally were picked up by Iran.

Omar Bakri Mohammed, the leader of Hizb ut-Tahrir, said Israel's existence was "illegitimate" in Muslim eyes, but that the status quo should be changed through "thought" rather than violence. He condemned "all types of terrorism" and dissociated Hizb ut-Tahrir from a leaflet carrying its name that quoted an Islamic saying calling for the killing of Jews.

"It was a fabrication," he said in an interview. "I deny any link at all."

After the conference, Martin Corrie, speaking on behalf of Wembley Stadium Ltd., defended the decision to hold the conference in the face of widespread protests urging the company -- which is headed by Jewish businessman Brian Wolfson -- to ban the event.

Corrie, who is also Jewish, said: "We do live in a democratic society, and it wasn't for us to ban Muslims who want to hold an event here. If they want to hate Israel, that's their prerogative. But there is no way we would have hosted an event for bombers and terrorists."

In the wake of massive media publicity surrounding the event, the conference was held under tight security.