

**THE RETURN OF PALESTINIAN PRISONERS
TO HOMES IN ISRAEL AND TERRITORIES
SEEN AS POSING A SECURITY THREAT**

By Gil Sedan and Hugh Orgel

JERUSALEM, May 22 (JTA) — Officials here were in general agreement today that a "security threat" is posed by many if not all of the 600 Palestinians allowed to return to their homes in the administered territories and in Israel after Monday's prisoner exchange.

But some officials saw the threat as long-term rather than immediate. The security forces are considered quite capable of handling it. All of the 600 under Israeli jurisdiction are being summoned to military government headquarters to be given temporary identification cards and a clear warning that any reversion on their part to terrorist or other hostile activities will be met with swift and severe punishment.

Similar warnings are being given the families of the freed prisoners and their known former associates. The 600 comprise more than half of the 1,150 Palestinians and other prisoners Israel exchanged for three of its soldiers held by the Damascus-based Popular Front for the Liberation of Palestine-General Command, a terrorist organization headed by Ahmed Jabril. The balance went to Lebanon, Syria or Libya after they were released.

Latest Prisoner Exchange Is Unique

Israel has engaged in such lopsided prisoner exchanges in the past. But the latest one is unique in that some of the most notorious terrorists of the past two decades were turned loose from Israeli prisons where many were serving life sentences for mass killings of civilians.

It has triggered a serious national debate in which not only hardliners of the far right but many moderates are questioning the wisdom of negotiating with a terrorist gang in the first place and accepting its demands for the release of convicted murderers.

Security Forces Can Cope

Shlomo Goren, coordinator of government affairs in the administered territories, said in a radio interview today that there was a "definite possibility" of a threat to security. Referring to the convicts who have returned to their homes in the territories, Goren said "This is a group of people who did not finish serving their sentences in jail and they are definitely liable to form to a certain extent, a security threat. Most definitely."

But Goren said the security forces could cope with the situation satisfactorily. He noted that the freed men were told that they now have a chance to lead a normal life and some may in fact try to.

Knesset Member Binyamin Ben-Eliezer of the Yahad party, himself a former coordinator for the territories, said the atmosphere of elation in the West Bank and Gaza which greeted the returned prisoners "could undoubtedly encourage attacks and a wave of political subversion in the future."

He added, "In terms of their need to reorganize after their toil of many years, I would imagine that

their feeling is hard. I have no doubt that they will cope and I hope that some of those being released will preserve peace and quiet ... I hope that the lesson they learned in prison over many years will lead them to conclude that it is best not to repeat the mistakes of the past and to try to curb their activity."

But Ben-Eliezer admitted that he spoke "with a great many reservations. I doubt that this is what will happen."

Doesn't See Political Situation Changing

Goren said he did not believe the release of terrorists would improve the political situation in the territories in a way that would lead to political negotiations over their future status. But, he stressed, the prisoner exchange should be seen as independent of any political process.

Goren said the government would continue its current policy aimed at improving the quality of life of Arabs in the territory regardless of the presence among them now of convicted terrorists.

There were differences of opinion among other officials. Some maintained that lessons were learned by many years spent in prison. Others said that prisoners who had been local commanders of El Fatah before their incarceration would continue to act as behind-the-scenes organizers of terrorism. El Fatah is the terrorist wing of the Palestine Liberation Organization loyal to PLO chief Yasir Arafat.

Furor Among West Bank Settlers

Absolutely unequivocal in their attitude toward the prisoner exchange are the Gush Emunim, the most militant of the Jewish settlers in the West Bank. Long before the exchange they were agitating for the expulsion of all hostile Arabs from the territory and they are now renewing their demands for the death penalty for terrorists.

One Gush Emunim leader, Elyakim Haetzni, told a Voice of Israel Radio reporter yesterday that the settlers are collecting the names and addresses "of the murderers who are now among us and invite further information about them for the purpose of self-defense."

Asked what the list would be used for, Haetzni replied, "If you walk on the street and you see one of them by your side, I would expect you to walk on the other side." It was not clear what Haetzni may have been hinting.

View From The Arab Side

On the Arab side there was, not surprisingly, a totally different reaction. Mohammad Wattad, a Knesset member of Mapam, told the Jewish Telegraphic Agency that he felt the release of the prisoners should not be an occasion to lament the fact that murderers were freed but rather to create a political atmosphere that would give momentum to political negotiations.

A similar viewpoint was expressed by Aziz Shehade, an Arab lawyer who was active on behalf of the prisoners. His brother, Munir Shehade, 30, was among the El Fatah terrorists released Monday after serving close to six years of a sentence imposed in 1979.

PERES RULES OUT LINKAGE BETWEEN PRISONER EXCHANGE AND JEWISH UNDERGROUND MEMBERS NOW ON TRIAL

By David Landau

JERUSALEM, May 22 (JTA) -- Premier Shimon Peres today ruled out "any interference" by the executive branch of government in the judicial process. He flatly rejected, in that connection, "any linkage" between Monday's exchange of 1,150 Palestinian and other prisoners serving sentences for terrorist activities for three Israeli soldiers held captive by a Damascus-based terrorist organization, and the 26 alleged members of a Jewish terrorist underground currently on trial or already convicted for crimes of violence against Arab civilians in the West Bank.

The Prime Minister's Office made clear that Peres spoke for the ranking Labor Party ministers in the Labor-Likud unity coalition government. The Premier's position was announced following what was described as a raucous meeting of the 10-member inner cabinet which consists of five Laborite and five Likud ministers.

It places Labor in direct confrontation with its Likud partners who are urging the release of the Jewish underground suspects. Sources close to Peres indicated that if Likud tried to breach the line of non-interference, survival of the unity government would be seriously threatened.

Likud itself is under heavy pressure from the opposition rightwing Tehiya party and from the religious parties -- all of the Jewish terrorist suspects are Orthodox Jews -- to free the trial defendants in view of the fact that convicted Arab murderers have been freed.

Anxious To Preserve Unity Government

But according to well placed observers, Deputy Premier and Foreign Minister Yitzhak Shamir, the Likud leader, is anxious for the time being to preserve the unity government. They said he is prepared to postpone efforts to secure the release of the Jewish suspects until after their trial ends, although he is being pressured by Commerce and Industry Minister Ariel Sharon, the most hardline of the Likud ministers, to take a tougher position.

A similar split was manifested in the Knesset where the Labor and Likud factions met separately today to debate the issue. The Labor faction issued a statement commending the government's "courageous" decision to carry out the prisoner exchange and to refuse to link it to the trial of the alleged Jewish terrorists.

The Likud faction blasted the prisoner exchange and was nearly unanimous in demanding the release of the Jews on trial. No formal statement was issued, however, because the Likud debate has not ended. Shamir and another Likud minister, Moshe Arens, have apparently made peace with the prisoner exchange. They said today the government had no choice because the lives of the three Jewish soldiers held captive in Damascus were in danger.

Pressing For Release Of The Jewish Suspects

But Shamir was quoted today as saying that his goal was the release of the Jewish suspects and that any legal means to achieve it would be satisfactory to him.

Justice Minister Moshe Nissim, also of Likud, explained to his party's Knesset members that as

long as the defendants are on trial, only the Attorney General, Yitzhak Zamir, could intervene and he is, under the law, not subject to direction from the political or executive levels.

Political observers agreed that if Likud presses for the immediate release of the men on trial, the unity government would fall. On the other hand, if Likud allows the trial to take its due course and sentences are pronounced, there is every possibility that all of the defendants will receive Presidential clemency and the unity government would survive.

KREISKY POSTPONES VISIT TO ISRAEL AFTER HIS ROLE IN THE PRISONER EXCHANGE IS DISCLOSED

By Reinhard Engel

VIENNA, May 22 (JTA) -- former Chancellor Bruno Kreisky announced here that he has postponed indefinitely his scheduled visit to Israel, which was to begin yesterday, because his safety could not be guaranteed following the disclosure of his involvement in the exchange of three Israeli soldiers for hundreds of Palestinian terrorists who were among the 1,150 prisoners released by Israel.

Kreisky told a news conference yesterday that he has spoken with officials of the International Center for Peace in the Middle East, sponsors of the visit, and they indicated that the prisoner exchange had raised mixed feelings in Israel and they feared possible assassination attempts against the former Austrian leader in Israel.

The Center's officials feared rallies against Kreisky, and that he would become the object of hatred and be held responsible for the release of the terrorists, he told reporters.

Recalls Steps That Led To The Exchange

But while Kreisky disclosed some of his involvement in the prisoner exchange, he insisted he had nothing to do with the selection of who would be released from the Israeli prisons. He recalled that he had been asked more than two years ago by families of Israeli soldiers captured in the Lebanon war to help gain their release.

In a series of talks, his special emissary to the Middle East, Herbert Amery, a former Austrian Ambassador to Greece, succeeded in mediating a first exchange of six Israeli prisoners for more than 4,000 Palestinians, Kreisky said.

In another series of talks, Amery and Kreisky established indirect contacts between Israeli authorities and Ahmed Jbril, head of the pro-Syrian Popular Front for the Liberation of Palestine--General Command, which held the three Israeli soldiers, the former Chancellor said. He added that it had been the Libyan leader, Muammar Qaddafi, who convinced Jbril to meet Kreisky during a visit to Damascus last October.

In December, 1984, Kreisky wrote a letter to Israeli Premier Shimon Peres and to Jbril presenting a compromise on which both sides agreed. "I only suggested the ratio of exchange," Kreisky disclosed yesterday. "I have nothing to do with the selection of those prisoners which the Israelis handed over."

Kreisky said he had been scheduled to meet with Palestinian leaders and deliver speeches at Bir Zeit University on the West Bank, and to lecture at the Tel Aviv and Jerusalem Universities. He refused to provide reporters with any other possible dates when the visit to Israel may be rescheduled.

WEST GERMAN ENVOY AND B'NAI B'RITH LEADERS OFFER CONCILIATORY GESTURES BETWEEN WEST GERMANY AND U.S. JEWS

By Judith Kohn

WASHINGTON, May 22 (JTA) -- Following the gradual abatement of the furor and protest that flared over President Reagan's recent visit to the West German military cemetery at Bitburg, West Germany's Ambassador to the U.S. and leaders of B'nai B'rith International yesterday offered gestures of reconciliation between West Germany and American Jews.

"Let us build a solid, long-term basis for our relationship so that sudden eruptions like the painful debate of the last few weeks can be avoided," Ambassador Gunther van Well urged the B'nai B'rith Board of Governors in an address on "The German-Jewish Relationship After Bitburg" at their annual meeting.

Quoting from a conciliatory speech by West German President Richard von Weizsacker delivered following the Bitburg visit, Well stressed his country's commitment to keeping alive the memories of the Holocaust. But he also appealed for the strengthening of the German-American Jewish relationship as a means to enhance the awareness among Germans of the Jewish cultural life that thrived in Germany before Hitler's rise to power, and the shared cultural and spiritual heritage of Germans and many Jews in this country.

Different Reactions By Israel and U.S. Jews

The reestablishment of dialogue and the rebuilding of ties has been less successful with American Jewry than with Israel, the Ambassador said. Citing the efforts of figures such as the late Israeli Prime Minister David Ben Gurion and Leo Baeck, the late German Jewish leader who, on returning from the Theresienstadt concentration camp, was the first to call for the reinstitution of B'nai B'rith in Europe, Well said:

"Their objectives and standards remain valid for us. They knew that it was not possible simply to carry on where the past left off. But this did not prevent them, on the basis of a shared cultural heritage, from talking to each other, from establishing German-Jewish relations in a slow process of getting closer to each other. This process has been more intensive with Israel than with American Jewry. We would wish that the troubling painful discussion of the last few weeks leads American Jews to join us in new determined efforts to establish closer links between the Federal Republic of Germany and American Jewish communities."

'An Intellectual Iron Curtain'

During a meeting with reporters that followed the Ambassador's address, B'nai B'rith International executive vice president Daniel Thursz said that unlike Israel, "The American Jewish community has not yet come to terms with reconciliation."

"There has been sort of an intellectual iron curtain ... and we have not dealt with it," Thursz said, observing that many American Jews still refuse to visit West Germany or to buy its products. "In a crazy kind of way, Bitburg, I think, can begin that process," Thursz suggested.

On the visit to Bitburg itself and the bitterness that the controversy aroused, Well maintained that

the favorable German response to von Weizsacker's speech best reflected public opinion in this country. Weizsacker stressed in his speech that no German who lived through the period of World War II can claim to have been unaware of what was being done to the Jews, and he warned that "there can be no reconciliation without remembrance."

Anti-Semites Are Small Minority

The German Ambassador said, in a question-and-answer session, that some anti-Semitic comments picked up by the press in Germany in response to the Jewish protests against the Bitburg visit represented the sentiments of a small minority.

"There have been a few extreme reactions of a limited sort, but it does not reflect the basic feeling of the country. That basic feeling I think is reflected by the response to von Weizsacker's speech," Well said.

In his meeting with reporters Well avoided commenting on whether the visit to Bitburg should have been cancelled early on, but he said "I certainly would have thought that we could have avoided some of the misunderstandings." He declined to specify what he thought the misunderstandings were and how they could have been avoided.

JERUSALEM HAS IT

By Hugh Orgel

TEL AVIV, May 22 (JTA) -- In the 18 years since reunification, Jerusalem has become the largest city in Israel with the largest Jewish population, according to data released by the Central Bureau of Statistics.

At the end of 1984, the population of Jerusalem stood at 445,000 of whom 320,000 are Jewish and about 125,000 non-Jewish. The population of Tel Aviv-Jaffa was 323,000 of which 313,000 are Jews. But Tel Aviv and its commuter suburbs -- Petach Tikva, Ramat Gan, Givatayim -- constitute the country's largest urban area with a population of 800,000.

Tel Aviv, founded in 1904 by Jews from the Arab town of Jaffa, held for generations the distinction of being the only all-Jewish city in the world and was by far the largest city in Israel when independence was declared in 1948. The incorporation of Jaffa into the municipality deprived it of its all-Jewish status.

The population of Haifa has been declining since 1979 and now numbers fewer than 225,000. This may be due in part to the decline in sea travel. During the heyday of the ocean liner Haifa was Israel's chief port of entry for tourists and business travellers. Now virtually all travellers arrive and depart by air.

According to the Central Bureau, Israel has 11 cities with over 100,000 population. The country's urban population totaled 1,938,000 at the end of 1984, 46 percent of the national population.

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NEW YORK (JTA) -- Ambassador Naphtali Lavie, Israel's Consul General in New York, has been named director general of United Jewish Appeal operations in Israel beginning September 1. Lavie succeeds Chaim Vinitzky who will retire after 50 years of distinguished service as the UJA's representative in Israel. The announcement was made in Los Angeles by UJA national chairman Alexander Grass and president Stanley Horowitz. As director-general of UJA's operations in Israel, Lavie will direct a wide range of activities including programs of overseas missions, public relations, Project Renewal, and leadership seminars.

BEHIND THE HEADLINES THE HUNT FOR MENGELE

By Charles Allen, Jr.

(Part Two Of A Three-Part Series)

NEW YORK, May 22 (JTA) -- What are the substantial facts about Josef Mengele, the "angel of death" SS doctor of Auschwitz? The facts of his post-war years are sketchy.

Allegedly, he spent some time in 1945 as an interned patient in a British hospital in occupied Germany. He then supposedly lived openly in his family's home in Guenzberg. The Mengele family's wealth derives from its multinational firm that manufactures and distributes agricultural implements and heavy machinery. Reasonable assumptions are that the family in large measure supported Mengele since the war.

When accusations against him became a public problem, Mengele dropped from sight in 1949. As this correspondent reported for the Jewish Telegraphic Agency in 1983, he allegedly used the "monastery routes" to flee Europe, exiting at Genoa with false papers under the name of "Gregorio Gregori" or "Helmut Gregor," making his way first to Franco Spain, thence to Argentina with a passport bearing his real name and photograph. (No documented evidence of this purported passage has ever been produced.)

In Argentina, Mengele supposedly practiced medicine openly in Buenos Aires and environs. On June 5, 1959, a murder warrant was issued against him by a Freiberg, West German court. Among its 17 specific accusations: "Mengele killed ... a newborn baby ... by throwing the infant into an open fire before the eyes of its mother."

For more than six months, the West German Foreign Ministry -- itself notoriously packed with Nazis from Hitler's Ministry of Foreign Affairs -- did not circulate the extradition request based on the murder warrant to those countries where Mengele had been reported.

Shuttling Between Countries

Mengele in the meantime was shuttling between Argentina, Paraguay and Brazil, according to sources. In late October of 1959, he purportedly was naturalized in Paraguay. (Some sources say the date was 1957.) Not until June 28, 1960 did Argentina itself assign the extradition requests for proceedings to get underway.

Among the few sober documents was an October 1973 report by Poland's war crimes commission alleging that Mengele was living in Amambay province in Paraguay along the Brazilian border. Paraguay of course has been a notorious haven for Nazis since World War II.

More than half of the country's economy is controlled by German interests. Its army was trained successively by Imperial and Nazi militarists since World War I. Its dictator, General Alfredo Stroessner, an open admirer of Hitler, controls one of Latin America's most oppressive regimes. Stroessner has to this date rebuffed all attempts to flush out Mengele, let alone honor any legal steps seeking extradition.

The following assertions were reported in the U.S. Army's CIC (Counter-Intelligence Corps) 14 pages of documents released to the Wiesenthal Center in Los Angeles last December:

* A 1947 CIC "informant stated that to the best of his knowledge, Dr. Mengele was arrested in the U.S. Zone of Germany" The informant described Mengele "FNU (full name unknown) former chief medical officer in Auschwitz." (Mengele was not the chief medical officer there.)

* The concern of the CIC was to question Mengele about "the fate of 20 Jewish children removed (by Mengele) from Auschwitz in November 1944." Nothing what:ever was indicated about a direct interest and urgency concerning Mengele himself.

* A June 1962 letter from an American intelligence officer in Europe providing information on Mengele to the Canadian Embassy in Cologne, West Germany, which had been told to check out a man by name of "Joseph Menke" who had applied for a visa to Canada from Buenos Aires, Argentina. (The American information was incorrect in some parts.)

There was nothing else of substance in the CIC documents, nor were the key Canadian side of the answers present. There was nothing to justify the quick and extreme conclusions made by Rabbi Marvin Hier, dean of the Simon Wiesenthal Center in Los Angeles, Sen. Alfonse D'Amato (R. N.Y.), and Sol Littman, the Wiesenthal Center's Canadian representative. (See Part One.)

CIA Documents Have Relevant Material

The CIA documents released to D'Amato do have relevant materials indicating Mengele's deep involvement in trafficking drugs, counterfeit money and other illegal dealings.

CIA reports starting in the late 1960's and going through the late 1970's placed a "Dr. Henrique Wollman" as running a drug ring out of a remote farm in Paraguay near the Brazilian border. The CIA's source was "a petty criminal" whose material was "unevaluated." Later, the CIA "confirmed" "Wollman" as the wanted Mengele, but the "doctor" now posed as "an auto mechanic" at a location closer to the Brazilian border.

A 1979 cable requested details on the family company, Mengele & Son, hypothesizing that "it could serve as a mechanism to move or launder large sums of money as well as to cover the movement of illicit narcotics."

These CIA reports were distributed to the DEA (Drug Enforcement Agency), Treasury, DIA (Defense Intelligence Agency), State Department and the FBI in Washington.

It is a proven fact that Nazi war criminals on the run in Latin America have financed their political networks by way of drug trafficking, counterfeit money rings and small arms brokering for sales abroad. Klaus Barbie, the Gestapo mass murderer now facing trial in France, had such operations.

Missing from this equation, however, is the demonstrated and relevant fact that the CIA itself has been one of the world's largest dealers in the international drug trade. Extensive documentation of these CIA pursuits were released by the Church Committee of the U.S. Senate in 1975. The Committee was headed by Frank Church, then Senator from Idaho.

To this writing, the CIA documents contain the most substantial data on Mengele to 1979. Beyond the pitifully few materials in all the hoopla over these materials, there has not yet been unearthed anything except sensationalistic conjecture.