

**NEW CONTROVERSY OVER POW EXCHANGE**  
By Hugh Orgel

TEL AVIV, May 23 (JTA) -- A new controversy raged in Israel today over eight soldiers traded for more than 4,000 Palestinian and other Arab terrorists in two prisoner exchange deals over the past 18 months.

Israel secured the return of nine of its men, all captured in the early days of the Lebanon war. Eight were taken prisoner without offering resistance and demands have been made that they be court-martialed. Six of the men, held prisoner by Syria, were returned to Israel in November, 1983 in exchange for 3,000 Arabs, mostly Palestinians, held in the Ansar detention camp in south Lebanon.

Three were returned this week. They had been held captive in Damascus by the Popular Front for the Liberation of Palestine-General Command, a pro-Syrian Palestinian terrorist organization headed by Ahmed Jabril. Israel obtained their freedom by turning loose 1,150 terrorists serving prison sentences in Israel, including mass murderers serving life terms.

**Criticism Of The Soldiers' Behavior**

The chief education officer of the Israel Defense Force released a fact sheet critical of the soldiers' behavior. Likud MK Pinhas Goldstein formally demanded court martials. The soldiers have responded by accusing the IDF of placing new recruits with inadequate training in places of extreme danger in Lebanon.

Two of the soldiers released this week, Yosef Groff and Nissim Salem, and six others released in 1983 outnumbered their captors, according to unofficial reports. Allegedly, they were resting under a tree near Bahamdoun in Lebanon when they were approached by four terrorists disguised as shepherds and ordered, in Hebrew, to hand over their weapons which were stacked nearby.

The third soldier released this week, Hezi Shai, was captured while trying to escape from his wrecked tank and has not been faulted for his behavior.

The controversy has divided the country which is already split over the government's wisdom in freeing some of the most notorious terrorists of the past two decades and allowing 600 of the prisoners to return to their homes in the West Bank, Gaza and Israel.

**Soldiers Will Not Be Tried**

The IDF said today that it would not place the eight soldiers on trial. One of them, Rafi Hazan who was part of the 1983 prisoner exchange, said in a radio interview yesterday that the IDF sent new recruits who had hardly fired a weapon before, to Lebanon where they were assigned to guard and observation duties in exposed positions without proper instructions. He said that because of the mistakes of their commanding officer, he and his comrades had no choice but to surrender.

The mother of one of the soldiers claimed that then Chief of Staff Gen. Rafael Eitan had told her they were lucky they hadn't tried to resist because all

would have been killed on the spot. The IDF said, meanwhile, that it would draft new instructions for soldiers faced with similar circumstances in the future.

**STAR WARS OFFICIAL SUGGESTS ISRAEL'S DEFENSE CAN BENEFIT FROM THE SYSTEM**  
By Judith Kohn

WASHINGTON, May 23 (JTA) -- The director of research and technology for the United States Strategic Defense Initiative (SDI), commonly dubbed "Star Wars," suggested today that the development of a nuclear defense program in space could have a direct impact on Israeli defense capabilities against conventional weapons.

Asked in a WORLDNET satellite interview with European and Israeli journalists whether the SDI, in which the U.S. has invited Israel to participate, could also serve to intercept short range missiles in the Middle East, Lt. Gen. James Abrahamson, director for the SDI organization, an office of the Defense Department, said that some of the very short range tactical missiles that threaten Israel as well as Europe are "a very difficult problem."

But he added, "I believe that as we are successful with that, then it can contribute not only to the nuclear strategic defense, but also to the many, many conventional threats that are indeed facing many of our allies in different ways than they are threatening the United States. But I think the answer is yes, simply and clearly yes. Advanced technology can be applied not only in the strategic arena, and that is one of the benefits of a participative program."

Israeli participation in the SDI has been a topic of debate in the Knesset since Defense Secretary Caspar Weinberger extended the invitation -- also proposed to NATO allies and Japan and Australia -- last month. Israeli Minister of Science and Industry Gideon Pait has endorsed the idea, recommending that Israel seek to become involved in "civilian aspects" of SDI research. He said that Premier Shimon Peres and Defense Minister Yitzhak Rabin were favorably disposed to Israeli participation.

Abrahamson said Israeli participation in the SDI could cover a broad range of areas, including some of the more conventional applications of some of the advanced technology, meaning improving missiles -- making missiles more effective.

**PERES SEEKS LEGAL OPINION REGARDING RELEASE OF JEWISH UNDERGROUND SUSPECTS**  
By Gil Sedan

JERUSALEM, May 23 (JTA) -- Premier Shimon Peres asked Attorney General Yitzhak Zamir today for a legal opinion with respect to the release of alleged members of a Jewish underground terrorist network on trial or already convicted for crimes of violence against Arabs in the West Bank.

Peres reasserted his position that the executive branch of government must not interfere in the judicial process and remained firmly against the linking the fate of the Jewish suspects to the freeing of 1,150 Arab terrorists in Monday's prisoner exchange. However, he maintained that there are a number of issues which require legal clarification.

Peres' query to Zamir appeared to open the door to the possibility of compromise with the right-wing and religious elements who are clamoring ever more vigorously for the release of the Jewish suspects now that the government has turned loose convicted Arab killers in exchange for three Israeli soldiers held captive by Palestinian terrorists in Damascus.

In all, 27 alleged Jewish terrorists are involved and a distinction must be made between those still on trial and others convicted and sentenced. One of the former was, in fact, convicted today as a result of plea bargaining that reduced the charges against him.

Legal Aspect Of Amnesty

Under the law, the President is the only person empowered to grant amnesty in a criminal case. President Chaim Herzog announced today that he would not consider the matter until all of the suspects are tried. An aide to the President, Ami Gluska, said Herzog would, in any case, hear each request for clemency separately rather than grant a general amnesty for all those convicted.

The Attorney General may, of course, order a stay in the proceedings against the suspects presently on trial here. He is not likely to do so under the circumstances.

Since the Likud component of the unity coalition government is strongly backing the rightwingers' demands for release of all of the alleged Jewish terrorists, such a move by the Attorney General would be interpreted as compliance with a government initiative, in effect executive interference in the judicial process.

Peres, addressing high school students in Rishon Le Zion today, stressed that such interference would endanger the entire judicial system which must operate free from executive or political pressures. But many Likud Knesset members and several of the Labor Party have cited precedents for government intervention in criminal proceedings.

Precedents For Government Intervention

They recalled that in 1948 the government requested a halt of proceedings in the trial of Jewish terrorist suspects in the assassination of the Swedish diplomat, Count Folke Bernadotte. In 1956, the government intervened similarly to halt the trial of soldiers who participated in the massacre of Arabs in Kafer Kasem.

Peres told the students in Rishon LeZion that the State must have both a head and a heart. It must be sensitive to the fate of every person, he said. But if the State does not use its head to honor principles, it may find itself acting counter to national interests, the Premier said.

Deputy Premier and Education Minister Yitzhak Navon, Herzog's immediate predecessor as President of Israel, warned today that if the government decided to grant amnesty to the Jewish terrorist suspects, the panel of three judges hearing the case might resign from the judiciary in protest.

He warned that any such decision would subject Israel's judicial system to ridicule. Clemency for the Jewish defendants would mean an end to democracy because a democratic state cannot exist without an independent judicial system, he said.

A similar statement was made by Knesset Speaker Shlomo Hillel who warned against giving in to internal blackmail after having given in to external blackmail, a reference to Monday's prisoner exchange.

At the other end of the political spectrum, the rightwing opposition Tehiya Party demanded the immediate release of the Jewish suspects and the death penalty for terrorists. Tehiya claimed that the government would bear responsibility for bloodshed caused by a renewal of Arab terrorism resulting from the prisoner exchange.

One Of The Defendants Pleads Guilty

Meanwhile, Menahem Neuberger, one of the defendants on trial, pleaded guilty today to conspiracy to blow up Islamic shrines on the Temple Mount in East Jerusalem and conspiracy in the car bombings that crippled two Arab mayors in the West Bank in June, 1980.

As a result of his deal with the prosecution, charges of membership in a terrorist organization and attempts to cause serious bodily harm were dropped. Neuberger will be sentenced at a later date. The prosecutor said he would demand an appropriate sentence, adding that the bitter controversy made it incumbent on the court to play an educational role by taking a clear position on crimes of this nature.

ARENS PLEDGES THAT THE STATUS OF THE WEST BANK WILL NOT BE CHANGED  
By Maurice Samuelson

LONDON, May 23 (JTA) -- Moshe Arens, Israeli Minister-Without-Portfolio, pledged here that having been reunited with the rest of Israel in 1967, there was going to be no change in the status of Judaea and Samaria.

Addressing a dinner to commemorate the reunification of Jerusalem in the Six-Day-War, the former Likud Defense Minister also called for an intensification of Jewish settlement in these territories, especially in the city of Hebron.

Describing Hebron as one place that needs to be redeemed, Arens called for a great effort so that like the three other holy cities of Israel--Jerusalem, Safed, Tiberias -- it will again be what it used to be in former days.

To the strong approval of his audience, mainly supporters of the Herut movement, he scoffed at suggestions that territories could be exchanged for peace and that the return of Jews to a place like Hebron was an obstacle to peace. Almost the contrary, he added. The more settlements there will be in Judaea and Samaria, the greater the chance that King Hussein of Jordan will one day be able to make peace.

In a somber reference to the 40th anniversary of the end of World War II in Europe, Arens recalled that when the Nazis crushed the revolt in the Warsaw Ghetto and then proceeded to exterminate half a million Hungarian Jews, the tide of war had already turned strongly against them, with the Nazi armies broken at Stalingrad and the Allies already in Paris.

Had the Allies so wished, they could then have done a lot to thwart the Nazis' mass extermination of the Jewish people, Arens said. But it was not one of the Allies' strategic objectives, otherwise it could have been done, he said.

18th ANNIVERSARY OF JERUSALEM'S REUNIFICATION MARKED IN WASHINGTON  
By Judith Kohn

WASHINGTON, May 23 (JTA) -- Members of the Jewish community here observed the 18th anniversary of the reunification of Jerusalem by planting a tree for Israel -- in Washington, D.C.

Contributed to the Israel Embassy by the Jewish Community Council of Greater Washington and the

Washington Zionist Federation, the new cherry tree will grow in a setting that gives every suggestion of the occasion it was brought to mark. The sapling -- bearing a plaque to commemorate the anniversary -- was dedicated in a small ceremony under sunny skies outside the Embassy building, whose color and simple architecture recall the low white Jerusalem stone houses in the Jewish Quarter of the Old City and other parts of Israel's capital.

"A cherry tree -- symbolic of the capital city of Washington, D.C. -- has been planted outside here at the Embassy of Israel, in honor of the capital city of Jerusalem. May its cheerful blossoms flourish for 120 years," Lillian Shienbrood, president of the Washington Zionist Federation, said as she led the group of some 50 Americans and Israelis into a "shehechianu" for the Embassy's new addition.

Recalling the 19 years of Jordanian occupation, when Jews were barred from the city's sacred sites, Helene Karpa, president of the Jewish Community Council, said at yesterday's ceremony that the gathering should "give witness to our full certainty that Jerusalem will never again be divided; that the Holy City will forever remain free, politically and physically whole and at the center of Jewish consciousness."

Speaking for the Israel Embassy, Minister-Counselor Yosef Lamdan declared that Jerusalem would remain the capital of the Jewish people and of the State of Israel -- "the doubters and the naysayers notwithstanding."

"Chai years ago," Lamdan said, pronouncing the combination of Hebrew letters that both connotes the number eighteen and spells the word for "life," "the city became one again. It reverted to its old self, to its real self. It recovered its integrity, and the aberrations of the previous nineteen years are never, I hope, to return again."

"We in the Embassy of Israel, will treasure and cherish the tree that you have planted here," Lamdan said. "We say too that as it grows and thrives, so Jerusalem will grow even mightier, and that together we will all become more deeply rooted..."

#### SPECIAL TO THE JTA ISRAEL'S FIRST FREE ENTERPRISE TOWN By Jill Kline

JERUSALEM, May 23 (JTA) -- A town based on free-enterprise is being built by the people who will live and work in it, the first town of its kind in Israel. Kfar Vradim, Rose Garden City, is an area included in the comprehensive regional development of the Western Galilee's hilly parts.

It is being constructed along the ridge of a mountain offering breathtaking views and clean air. Soon it will be a town that planned free enterprise employment opportunities even before the first foundation was laid -- it was designed together with a high-tech entrepreneurs center.

Kfar Vradim is situated near the Tefen Industrial Zone, which is expected to offer the residents of Rose Garden high-tech industrial jobs. The Israeli government has not invested anything in Rose Garden City, and is not providing any assistance; however it did give the land, which is being paid for now.

"The township's economic future depends on the industrial base at Tefen, which is geared toward export-oriented businesses," said Stef Wertheimer, the 57-year-old Israeli industrialist responsible for

the creation of Rose Garden City. He wants it to be an example that others will follow -- to be known for what it produces and sells, and not what it spends.

More than 1,500 families are committed to moving to Kfar Vradim in the next five years. The first 23 families moved into the city last year, each in houses they themselves built; another 120 houses are under construction.

The 15-year master plan envisions a total population of 3,000 families, or about 15,000 people. A plot ranges from half a dunam to a dunam and a half. Town-houses cost between \$60,000 and \$80,000, and larger homes cost more than \$100,000 (not including the land).

The hallmark of Wertheimer's philosophy is "less interference by the government in the daily life of its citizens." Wertheimer, a former Knesset member, is founder and president of ISCAR, an Israeli factory in the Tefen Industrial Zone, which makes and exports hard metal industrial products.

He is the driving force behind ENTREPARK, also part of the Tefen Industrial Zone, which helps young, high-tech industries get on their feet. With Kfar Vradim located nearby, the companies at the industrial park will have a ready work force to meet their needs.

#### Status Of Prospective Residents

Ninety-two percent of the prospective residents are salaried employees; the majority are professionals: 24 percent of the men are engineers and architects, 23 percent are technicians; 31 percent of the women are teachers, 16 percent are nurses. Married couples constitute 96 percent of the town's current population -- most are between the ages of 28-37.

A nursery school, kindergarten and elementary school are located within the town's limits so that all young children will go to school in Rose Garden City. The school is the first public facility already working, having been put up in a record three months.

Intermediate and high school grade children will attend the comprehensive regional school. The first group of settlers has 615 children of which 235 range from the ages of 6-12.

Kfar Vradim will have its own community center for lectures, concerts, plays, movies and social activities. The hotel that is being planned for vacationers will also serve as an artists center, as painters, writers and musicians will be given special consideration.

The sports field and swimming pool at Tefen will be open to Rose Garden City's residents as well; while the town lies only 20 minutes from the sea in Nahariya and 45 minutes from Haifa.

Wertheimer foresees the entire Western Galilee housing a high-tech industry community producing \$100 million worth of exports a year soon.

\*\*\*

BONN (JTA) -- The 1985 Peace Prize of the Association of German Book Publishers, West Germany's most prestigious literary award, will be presented to Mayor Teddy Kollek of Jerusalem at the opening of the Frankfurt Book Fair next October 13, in Frankfurt. Kollek, the most popular Israeli politician in Germany, will get the 25,000 Mark prize for his contributions to Arab-Israeli reconciliation. The awards ceremony will be held in Pauls Church where the principal speaker will be Mayor Manfred Rommel of Stuttgart. He is the son of the late Field Marshal Irwin Rommel of World War II fame. The Frankfurt Book Fair is the largest in the world.

**BEHIND THE HEADLINES  
THE HUNT FOR MENGELE**

By Charles Allen, Jr.

(Part Three Of A Three-Part Series)

NEW YORK, May 23 (JTA) — Notwithstanding the media hype, the patent political and organizational exploitation and utter confusion, what are the prospects for nailing Josef Mengele (assuming he is still alive)?

There is the loud argument that all of this attention — particularly when it is sweetened with rewards totaling \$3.5 million by Israel, West Germany and private sources, notably the Simon Wiesenthal Center in Los Angeles — will at long last result in the capture, trial and sentencing to death of the "angel of death" of Auschwitz.

In the midst of such euphoric certainty, some precautionary observations may well be in order.

Even before Israel, West Germany and the U.S. Department of Justice's Office of Special Investigations (OSI) joined forces to get Mengele, some sources questioned what the American side actually can do.

On February 19, 1985 the New York Daily News investigated what the OSI's mandate really meant in practical and in legal terms. "First we've got to find out if the U.S. had any involvement with Mengele and we'll do whatever we can to locate the guy," OSI director Neal Sher said. Assume that Mengele is located, what then, the Daily News Washington bureau asked Sher. At the moment, he replied, "there's not much more that we can say."

In conversations with this correspondent during the April 22 American Gathering of Jewish Holocaust Survivors in Philadelphia where we both shared the speakers' platform, Sher took the same position but told me, "I feel very good" about the Israeli-West German-U.S. cooperation.

**Basis For U.S. Involvement**

The Daily News, however, quoted an unnamed "career official (at Justice)" who pointed out that his agency "has little power and virtually no authority to hunt down (Nazi war) criminals in foreign countries."

The Daily News added: "(He) viewed (then U.S. Attorney General William French) Smith's announcement, made at the time an international panel (of Auschwitz survivors) in Israel was conducting its own hearings on Mengele, as primarily political."

An official who once worked at OSI told me: "I think we're exceeding our mandate unless U.S. linkage can be proven." The one-time OSI aide meant the American utilization of Mengele would have to be proven to justify effective U.S. participation in a legally authentic hunt for Mengele abroad.

The OSI mandate under the law is to prosecute for denaturalization/deportation Nazi war criminals living in the U.S. but can be extended by way of administrative precedent in the Klaus Barbie matter. Smith was able to officially pursue and report on the Barbie matter only on the basis of proof that agencies of the American government had in fact utilized Barbie, "the butcher of Lyon," after World War II.

Such a stricture, according to this former OSI official, would therefore have to be applied in the case of Mengele. This is another factor suggesting the need for caution in the latest wave of Mengelitis.

In Jerusalem, the founder of Israel's Mossad, Issar Harel — who commanded the special team that sought out, located, identified, abducted and brought to trial Adolf Eichmann in 1960 — has frequently warned against the mounting Mengelitis that has unfolded.

He pointed out that during the covert action against Eichmann in Argentina, his Mossad commando "just missed Mengele." But he was quick to add that serious professionals never engage in "public media displays" about their activities.

The Jewish Telegraphic Agency reported from Israel on February 6, 1985 that "Harel was critical of persons who announce they know where the death camp doctor is. The search for Mengele 'should be carried out quietly,'" he said.

Harel also criticized the rewards that are base solely on the capture of Mengele outright by, he emphasized, "non-government personnel." Instead, the rewards should be for "reliable information" that would provide leads for "a professional operation carried out by professionals."

"Announcing big rewards ... is not the way to catch Mengele," Harel said over Kol Israel, the nation's radio network.

On the proviso that his name not be divulged, a retired CIA analyst assessed for JTA the Mengele uproar. "Anybody slightly familiar with the case," he told me, "knows that all this hoopla — a lot of it motivated by political and personal ego-tripping — is not going to get Mengele. Did Harel hold a press conference before going into Argentina?"

He continued, "These self-styled 'Nazi-hunters' are the worst of the lot," and added: "Let's wait and see what the OSI can come up with. If anyone's doing really serious work on going after Mengele, you can bet you won't hear about it — until it's over."

**TRAVEL TAX ISN'T FLYING**

By David Landau

JERUSALEM, May 23 (JTA) — As thousands of Israelis signed petitions of protest, the Knesset Finance Committee approved yesterday by a margin of one vote a government proposal to double the travel head tax from \$150 to \$300 per person. The vote was 9-8 with one abstention.

Committee members opposed to the measure included four members of the Labor-Likud coalition, among them former Finance Minister Yoram Aridor of Likud who called the tax increase "stupid."

Of the more than 20 economic austerity measures approved by the Cabinet last Sunday, this one has proven the most controversial. Its intention is to curtail travel abroad during the peak summer season in order to conserve Israel's dangerously depleted foreign currency reserves. But opponents predicted it will play havoc with Israel's tourist industry which is an important source of foreign currency earnings.

Opposition to the travel tax rise is being led by the immigrant associations. They argue that the stiff levy will prevent many Israelis from visiting family members abroad and discourage potential immigrants from settling in Israel.

The Finance Committee also approved a four-fold rise in the travel tax to Egypt — from \$50 to \$200 — effective until September 15. The purpose is to make it less attractive for Israelis to fly to Cairo and from there to Europe or the U.S., thus avoiding the stiff tax in Israel.

\*\*\*

REMINDER: There will be no Daily News Bulletin dated May 27, Shavuoth.