

**ISRAEL REJECTS SWAPPING PRISONERS
UNLESS ITS SOLDIERS ARE INCLUDED**
By Hugh Orgel

TEL AVIV, Aug. 7 (JTA) -- Israeli officials remained firm Monday in rejecting deals and threats offered by Shiite Moslem leaders in Lebanon for the exchange of hostages for prisoners.

Likud Cabinet Minister Ehud Olmert said the government would not be drawn into "vague statements, frequently contradictory, by various people and groups, to the media."

He was referring to separate deals offered Sunday by terrorist groups in exchange for the release of Sheikh Abdul Karim Obeid, the Shiite extremist leader Israeli commandos captured July 28.

One terrorist leader, Hussain Mousawi of the Islamic Amal group, told foreign correspondents Sunday that his group would kill one of three Israeli soldiers held in Lebanon if Obeid, a leader of the pro-Iranian Hezbollah, or Party of God, was not immediately released.

"If we find out that the interests of Islam and the Moslems, and the interests of the oppressed, dictate that one of the Israelis be killed, so will it be," said Mousawi, whose group is also affiliated with Hezbollah.

"If the conflict reaches that stage, this decision will be taken," he said.

Another Hezbollah group, the Revolutionary Justice Organization, said it would release U.S. hostage Joseph Cicippio, in exchange for Obeid and 150 Lebanese Shiites and 300 Palestinians held by Israel.

The group made no mention of the three Israeli prisoners.

Tehiya Demands Death Penalty

But Olmert threw cold water on that offer, saying Israel would not entertain the release of either Obeid or any other prisoners unless all three Israelis were included in the exchange.

The Israelis have offered to release Obeid and a limited number of Arab prisoners only if the three Israelis and Western hostages held by Hezbollah factions are let go.

Israel, in fact, has had no word on whether the soldiers, captured as long as three years ago, are still alive.

Within Israel, meanwhile, the right-wing Tehiya and Tsomet parties are seeking to make political capital out of the hostage affair.

Geula Cohen of Tehiya is demanding that Israel reject any negotiations with Hezbollah or any other Arab organization, put Obeid on trial and exclude him from any prisoner exchange.

"He deserves more than a single death sentence for what we know he is guilty of," she said.

Cohen also demanded implementation of the death penalty for all Arabs accused of capital crimes. She said they should be excluded from any exchange deal.

Eliahu Ben-Elissar of Likud, chairman of the Knesset Foreign Affairs and Defense Committee, rejected Cohen's call for a special session of the committee to discuss the issue, on the grounds that the committee was adequately briefed by senior Israeli military officers.

**U.S.-ISRAELI TIES WEATHER CRISIS
SET OFF BY CAPTURE OF SHEIKH**
By Andrew Silow Carroll

NEW YORK, Aug. 7 (JTA) -- Fears that U.S.-Israeli relations might be damaged by Israel's capture of a Shiite extremist leader and the ensuing hostage crisis have not been borne out, say Jewish community officials and observers.

Even with some public opinion polls indicating a sudden erosion in popular support for Israel, they say, pro-Israel feelings have survived a week of harsh scrutiny and worrisome remarks on the part of President Bush and Senate Minority leader Robert Dole.

"The damage has been minimal, and things have turned around," said Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations.

"Editorials and talk shows have been very supportive, and the same goes for Congress," he said.

Hoenlein and others played down the significance of a Washington Post-ABC News poll taken Aug. 2 and 3, soon after Shiite Moslem terrorists claimed to have killed U.S. Marine Lt. Col. William Higgins in retaliation for Israel's abduction of Shiite leader Sheikh Abdul Karim Obeid.

Only 29 percent of the 711 adults polled said Israel is a "reliable ally" of the United States—compared to 51 percent who answered positively to the same question in April. This time, 53 percent said Israel is not a reliable ally, and 19 percent had no opinion.

Some 51 percent of the respondents also said they disapproved of Israel's decision to seize Obeid, who was described by poll-takers as a "Moslem clergyman," rather than the leader of a Shiite terrorist faction.

Only 30 percent approved of the action, and 19 percent had no opinion.

Prejudicial Survey Wording

By contrast, a Roper poll taken in April on behalf of the American Jewish Committee found 44 percent of Americans believe Israel is a reliable ally, a figure that has shown only a slight decline over the last five years.

According to a veteran pollster of Jewish affairs, the timing and wording of the ABC poll "prejudged the responses."

The questions prompted "a far more negative reaction to Israel than reality," said Steven Cohen, professor of sociology at Queens College.

Still, Jewish leaders acknowledge that the ABC poll — and another by Time magazine and Cable News Network saying 53 percent of Americans believe Israel "went too far" in "kidnapping Sheikh Obeid" — may have accurately reflected the feelings of early last week.

Threats against Higgins' life prompted Dole to say that "a little more restraint on the part of the Israelis one of these days would be refreshing."

And in the early days of the hostage crisis, Bush called on all parties holding hostages in the Middle East to release them.

The statement was interpreted as equating Israel's abduction of Obeid with the Shiites' kidnapping of Westerners.

Concern about those remarks led the American Jewish Congress to take out full-page advertisements in newspapers last Thursday urging Americans not to "strike out at our closest ally, beleaguered Israel, for seeking to do that which we wish we would do ourselves."

Five days after the ad appeared in The New York Times, the Chicago Tribune, the Miami Herald and other papers, "the climate has changed," said Henry Siegman, executive director of AJCongress.

Negative Feelings Have Turned Around

Dole has since softened his comments, and Bush has been treating subsequent events in the hostage drama as a possible breakthrough in freeing Westerners held captive.

On Sunday night, delegates to the NA'AMAT USA national convention in Chicago were assured by a former Israeli ambassador to Washington that Dole and Bush had backed off from their criticism of Israel.

Reporting on his meeting with U.S. officials earlier in the day, Simcha Dinitz, now chairman of the World Zionist Organization-Jewish Agency Executive, said that he was "happy to note that the U.S. realizes that some of the statements uttered at the beginning of the crisis were uncalculated for."

Jewish officials around the country say they are relying on their admittedly unscientific "gut feelings" when they say negative feelings toward Israel's capture of Obeid have turned around.

In Dole's home state of Kansas, "I don't see any crisis in support of Israel," said Judy Hellman, associate executive director of the Jewish Community Relations Bureau of Greater Kansas City.

In fact, said Hellman, the bureau was able to send Dole a critical editorial from the local Kansas City Star in its letter condemning his "unfortunate" remarks.

Editorials Mainly Favorable

Michael Greenberg, senior community consultant at the National Jewish Community Relations Advisory Council, concurred that newspaper editorials have been overwhelmingly favorable of Israel's capture of Obeid.

"We've been surprised and pleased by the response of the media in general across the country," said Greenberg.

Despite these assurances, however, some Jewish organizations refuse to be sanguine about potential damage to U.S.-Israeli ties.

In an uncharacteristically strong letter to Bush sent Aug. 2, the Union of Orthodox Jewish Congregations of America said "the response to date from the top leadership of our country has sent the wrong signal to terrorists."

The Orthodox Union urged the president to issue a statement unequivocally condemning the terrorists who killed Higgins and reaffirming Israel's right "to take such action as is necessary to protect its citizens and to secure the release of hostages."

The group sent a similar letter to Dole.

And Siegman of AJCongress warned that there is "a certain unexpressed and as yet unexpressed resentment on the (Capitol) Hill, as well as in the White House, over the slowness of the peace process."

"The Dole outburst has much more to do with that than it has to do with a correct assessment of the hostage situation," he said.

JESSE JACKSON AGAIN ANGERS JEWS, THIS TIME WITH REMARK ON HOSTAGES By Allison Kaplan

NEW YORK, Aug. 7 (JTA) -- Jesse Jackson is coming under fire from Jewish groups for calling Israel's capture of Sheikh Abdul Karim Obeid "an act of terror."

The black leader and former Democratic presidential candidate made the remark in an appearance on a Chicago television news program broadcast Sunday.

Jackson was discussing the need to end the cycle of violence in the Middle East when he referred to the seizure of the Shiite extremist leader as a "kidnapping."

Asked why he chose to use that terminology, Jackson replied, "Of course it was a kidnapping. It was an act of terror and it was a mistake. It was a provocative act."

Seymour Reich, president of B'nai B'rith International, strongly criticized Jackson for equating terrorist hostage-taking with the "seizure by a democratic government of a terrorist leader."

Abraham Foxman, national director of the Anti-Defamation League of B'nai B'rith, called Jackson's statement "outrageous" and said it "could not have come at a worse time, when delicate negotiations are taking place for the release of the hostages."

He said the black leader's "serious distortion" is "part of a mindset which is quick to first criticize and blame Israel, and then, some-time later, explain it away."

May 'Burn Bridges' With Jews

Jackson also was chided by Sylvia Neil, executive director of the Chicago office of the American Jewish Congress.

"It is incredible and unfortunate that people such as Mr. Jackson misconceive the apprehension of a terrorist to be terrorism," Neil said.

Jackson is no stranger to controversy on issues of concern to the Jewish community. American Jews have regarded Jackson's growing influence within the Democratic Party with wariness.

The community has not forgotten his past references to Jews as "Hymies," his former association with anti-Semitic Nation of Islam leader Louis Farrakhan and his sympathetic stance regarding the Palestine Liberation Organization.

"Mr. Jackson has shown that he continually chooses to fault the State of Israel," said Reich, who also chairs the Conference of Presidents of Major American Jewish Organizations.

"Unless he retracts his most recent ill-advised remarks, he will once again burn his bridges with the Jewish community," Reich said.

Jackson has remained in the public eye since he lost his bid for the 1988 Democratic presidential nomination to Michael Dukakis. He is now contemplating running for mayor of Washington.

Hyman Bookbinder, who was longtime Washington representative for the American Jewish Committee before he joined the Dukakis presidential campaign, said he finds Jackson's remarks particularly disappointing, because during the past two years, Jackson had appeared to be making a concerted effort to reach out to the Jewish community and atone for past offenses.

"This statement is going to set him back a good bit," Bookbinder said. "He's going to find that he's lost a lot of ground that he was beginning to make up in recent years."

A LITTLE FALAFEL STAND SHEDS LIGHT ON CHANGES OVERTAKING THE INTIFADA

By Gil Sedan

JERUSALEM, Aug. 7 (JTA) -- Suddenly, a spot of light has illuminated the dark street running from Mount Scopus to the French Hill neighborhood in Jerusalem.

The falafel stand is back.

For years the little stand had served up what some called the best falafel in town to Hebrew University students living in the dormitories across the street.

But then came the intifada, and its leaders' strictly enforced demand that Arab-owned businesses close at noon for a daily protest strike.

At first, the Arab owners of the stand tried to be clever and ignore the orders. But after seeing one too many other Arab businesses become the victim of mysteriously set fires, they closed the stand down.

This week it was open again, at 6 in the evening -- an open challenge to a Palestinian nationalist with a can of gasoline and a book of matches.

Was the intifada over, or were the rules changing?

The vendor looked slightly embarrassed when a longtime customer asked the question, as if he had failed his customers by obeying the orders of the uprising leadership.

The customer would not let it drop. "Have you received permission to reopen?" he asked pointedly.

The man continued smiling. "Well, sort of," he answered, obviously not anxious to go into details.

The reopening of the falafel stand is symbolic of other changes taking place in the 20-month-old Palestinian uprising. The intifada may not yet have died out, but its leaders' hold on the rank and file is showing definite signs of weakening.

Economic Conditions Having Impact

Besides the falafel stand, shops, especially in remote villages, are beginning to stay open after noon, in defiance of the partial commercial strike in the territories and East Jerusalem.

Schools have been reopened by the Israeli authorities, with little interference from Palestinian nationalists.

More and more Arab workers circumvent the frequent general strike days by simply staying overnight at their work places.

Many plants, such as a large Jerusalem bakery, have rented apartments for their workers, so that they do not have to return home daily.

Two factors seemed to have brought about this change: the sharp drop in the standard of living caused by the frequent strikes, and the fact that more and more Jewish employers are seeking to replace their Arab workers with Jews, even if they have to pay more.

Several prominent Palestinians, most of whom refuse to identify themselves, have confirmed recently that the intifada is changing colors.

Daoud Kuttab, a Palestinian journalist who did speak openly to reporters Sunday, said that the intifada has reached a state in which people are more interested in political developments than in violence.

They watch with interest developments like the current convention of the Palestine Liberation

Organization's Al Fatah faction in Tunis, and the growing number of meetings Palestinians are having with American and Israelis.

Kuttab explained that the reopening of the schools in the West Bank went smoothly, because "there was a decision not to give the Israelis any pretext to close the schools" again.

Leaflets Posted In Ramallah

With the Fatah delegates reportedly debating whether to endorse a political course charted by PLO leader Yasir Arafat, hope has replaced despair in the territories.

Still, leaders of the uprising are concerned that the intifada is losing momentum and that its rules are no longer strictly obeyed.

Merchants in Ramallah convened Sunday to discuss ways and means to bolster "national discipline."

Among the resolutions of the meeting were a call for tougher measures against vendors who do not obey the rules of the general strikes, greater cooperation with a ban on paying Israeli taxes and an effort to encourage local manufacturers to bring down their prices for the benefit of the local population.

Leaflets distributed during the weekend in Ramallah stressed the importance of observing the general strike rules and the need to boycott Israeli goods.

The call was seen as an indication that things were no longer running according to the orders of the uprising leadership.

LEVINGER MANSLAUGHTER TRIAL IS POSTPONED FOR THIRD TIME

By Cathrine Gerson

JERUSALEM, Aug. 7 (JTA) -- The manslaughter trial of Rabbi Moshe Levinger was postponed Monday for the third time, on this occasion because the Gush Emunim leader's newly appointed lawyer had not had enough time to review the case.

Levinger is charged with the fatal shooting last September of Kayed Salah, 42, an Arab shoe vendor in Hebron. He also is charged with deliberately damaging Arab property in the predominantly Arab city.

His trial was last postponed on July 13, when Levinger complained he could not find an affordable attorney. The court granted him a postponement and ordered the trial to resume on Monday.

Levinger waited until Sunday to appoint attorney Ya'acov Nehushtan to defend him.

The prosecution contended Monday that the Gush Emunim leader was trying to postpone the case indefinitely, perhaps in the hope that the political atmosphere in the country would change in his favor.

In granting a new extension Monday, Judge Ezra Hadaya said he did not sense a deliberate attempt to continuously put off the trial. But he warned the defense that this would be the last time a postponement would be granted.

As he left the courthouse, Levinger again complained that he was being prosecuted for alleged crimes against Arabs, when there have been more than 1,000 stone-throwing incidents against Jews in the Hebron area.

He said Palestinian leaders who inspire the stone-throwers, such as Sari Nusseibeh, Hanna Siniora and Faisal Hussein, "must be brought to trial, not us."

ADL EXPRESSES 'DEEP CONCERN' OVER POPE'S REMARKS ON COVENANT

By Tracy Early
The New York Jewish Week

NEW YORK, Aug. 7 (JTA) -- The Anti-Defamation League of B'nai B'rith has expressed "deep concern regarding the implications" of remarks made by Pope John Paul II, which ADL interprets as denying God's covenant with the Jews.

In a letter to the Vatican secretary for Jewish relations, Rabbi David Rosen of the ADL's Jerusalem office said anyone reading the pope's words "may fairly conclude from them that God's covenant with the Jewish people is superseded by the Christian covenant as the only everlasting covenant."

The implications regarding Jews and Judaism, he said, are "unavoidably prejudicial." Rosen said he assumed these were not "the intentional implications," but he asked that his concern be brought to the pope's attention.

"I look forward to urgent clarification of the matter so that we may demonstrate to the world that the clock of Catholic-Jewish relations has not been tragically set back," Rosen said.

At the end of the letter to the Rev. Pier Francesco Fumagalli, Rosen said he had consulted with Rabbi Leon Klenicki, ADL director of interfaith relations, and was signing also on his behalf. The two are the ADL liaison representatives to the Vatican.

The pope's remarks were made Aug. 2 in a brief theological reflection given during the weekly general audience he holds as part of a series on the Christian feast of Pentecost.

In his sermon, the pope said that "we consider the coming of the Holy Spirit at Pentecost as the fulfillment of the new and everlasting covenant between God and humanity."

Under the Sinai covenant, he said, God would continue to regard Israel as "his special people" on the condition that they remain faithful to his law.

'Israel's Infidelity To God'

"But the history of the Old Testament shows many instances of Israel's infidelity to God," the pope said. "Hence God sent the prophets as his messengers to call the people to conversion, to warn them of their hardness of heart and to foretell a new covenant still to come."

Eugene Fisher, Jewish relations secretary for the U.S. Catholic bishops, said in a telephone interview Monday that he considered Rosen's letter "a very hasty response" to the pope's remarks.

"In actuality, the ADL has rather seriously misread the statement," Fisher said. "The pope's statement neither asks nor answers the questions the ADL is raising. He was talking about Christianity's own self-view. The statement doesn't address Judaism's self-understanding."

Fisher also criticized ADL's tactics in publicizing the protest before the Vatican had an opportunity to offer any explanation.

"I'm very disappointed," Fisher said. "This is a serious breach of the understood process between our two communities -- to send a letter to the Holy See and issue a press release the same day without the basic courtesy of allowing time for a response."

"It is always proper to ask for a clarification," Fisher said. "But no chance was given to the Holy See to clear up the matter."

ISRAEL EXPERIMENTS WITH ENDING GOVERNMENT CENSORSHIP OF THEATER

By Hugh Orgel

TEL AVIV, Aug. 7 (JTA) -- A 60-year-old law subjecting plays and stage performances to censorship was to be lifted here at midnight Monday, for a two-year trial period.

Israeli bohemians planned to mark the occasion by gathering at the Tzavta theater club here for the staging and reading of extracts of plays that have been banned under the censorship regulations, which were first imposed under the British Mandate.

Interior Minister Arye Deri of the ultra-Orthodox party Shas announced his proposal to lift stage censorship when he took office at the beginning of the year. His rationale was that the theater-going public is capable of making its own decisions about whether to see a play or not.

But censorship of films will continue, Deri said, since films are watched by a wider segment of the public, including children.

The last film to be completely censored was "The Last Temptation of Christ," banned last year on the grounds that it might offend the religious sensibilities of some people. But after a public outcry, authorities permitted the screening of a cut version of the film, which depicts Jesus as a modern-day figure with human feelings and urges.

Deri said he would reconsider the situation of stage censorship at the end of the two-year trial period and decide then whether to lift the ban permanently or reinstitute censorship.

He added that he planned to strengthen laws enabling any person feeling himself harmed or insulted by a play to appeal to the courts for a restraining order against further performances.

Observers fear that this will lead to a great increase in organized court appeals against plays or stage performances by religious or political interest groups.

Until now, those groups have had to rely on the judgment of the government-appointed entertainment censorship board.

MORE PROTECTION FOR SETTLERS' CARS

By Cathrine Gerson

JERUSALEM, Aug. 7 (JTA) -- The private cars of Jewish settlers in the West Bank will be fitted with special protective windows, paid for by the government, Transport Minister Moshe Katsav announced Monday.

The special windows, which are meant to help deflect rocks and firebombs hurled by Palestinian rioters, will be financed by the Transport, Defense and Treasury ministries, Katsav said during a tour of West Bank settlements Monday morning.

In another security measure, Egged passenger buses on routes in the West Bank will be fitted with new communications equipment, enabling them to keep contact with nearby settlements.

All buses traveling through the West Bank already have been fitted with the protective windows.

Katsav said that the government had decided to "invest money for the safety of private cars, as we have done already with the buses," in order to give settlers "more physical support" to protect themselves from Palestinian violence.

The Likud minister also said he believes the Palestinian uprising is weakening.