

**ISRAELI OFFICIALS MUTE ON REPORTS
SHEIK MAY BE SWAPPED FOR HOSTAGES**

By Hugh Orgel

TEL AVIV, April 24 (JTA) -- Israeli officials are refusing to comment on persistent media reports that Israel is involved in negotiations for the release of Western hostages held by Palestinian or Islamic fundamentalist groups in Lebanon.

Most of the reports center on the possibility that Israel, prodded by the United States, may free Sheik Abdel Karim Obeid in exchange for Western hostages.

Obeid, a religious leader of the Iranian-backed Hezbollah movement, was seized from his home in southern Lebanon by Israeli commandos last July 28. He remains incarcerated in an unidentified Israeli prison.

Most observers believe he was brought here so that Israel could bargain for the release of three soldiers captured by a Palestinian terrorist group in Lebanon more than three years ago.

Obeid is not likely to be freed for Western hostages if the Israeli soldiers are not included in the swap, sources here say.

Other reports say Israel has informed Iran it would allow members of Obeid's family to visit him in prison if the International Red Cross is allowed to visit the Israeli soldiers in Lebanon.

Reports of prisoner swaps gained credibility after the release this week of an American hostage, Robert Polhill, who was held captive in Lebanon since January 1987.

Polhill was held by a group called Islamic Holy War for the Liberation of Palestine. There are still 17 Western hostages in the hands of such groups, including seven Americans.

The London newspaper The Independent published a report from Beirut on Tuesday saying that several hundred Shi'ite Moslems, held prisoner by the Israeli-allied South Lebanon Army in the Khiam detention camp in southern Lebanon, were about to be freed as part of the American hostage exchange.

But the SLA commander, Gen. Antoine Lehad, told Shi'ite dignitaries in southern Lebanon on Tuesday that no prisoners would be released.

**LIKUD DRIVE TO EXPAND SETTLEMENT
SPARKS VIOLENCE, DRAWS CRITICISM**

By Gil Sedan

JERUSALEM, April 24 (JTA) -- Increased Arab violence, Jewish vigilantism and rapidly worsening relations with the Christian churches in Jerusalem appear to be the fruits of the Likud caretaker government's race to establish or expand the Jewish presence in several areas where other groups claim exclusive domain.

The controversy has polarized opinion at home and drawn criticism from abroad.

The most serious development was the move by 150 Orthodox Jews two weeks ago -- with the government's clandestine help -- into a building owned by the Greek Orthodox Church in the Christian Quarter of Jerusalem's Old City.

Other trouble spots are Dugit, a new settlement in the Gaza Strip, and Hebron in the West Bank, where more flats for Jewish families are being built in the heart of the largely Arab town.

Activists associated with Rabbi Meir Kahane's extremist Kach movement damaged scores of Arab homes and vehicles in the Hebron region Monday.

Sources in Kiryat Arba, the religious Jewish township adjacent to Hebron, said the vandalism was in response to the wounding of Mordechai Gabai, a bus driver whose vehicle was fired on Sunday. He was slightly hurt.

Scores of Kiryat Arba residents rampaged early Monday morning. Marking off 15 sites where they claimed Jews were attacked, they smashed the windows of Arab homes and the windshields of Arab-owned cars and slashed their tires.

Churches Escalate Protests

Late Monday night, passengers on an Egged bus which was stoned near the village of Beit Ummar, left the vehicle and attacked Arab cars that were either passing by or parked.

The Arab attacks appeared to be directly related to attempts to expand the Jewish presence in Hebron, where the Construction and Housing Ministry has just completed 14 apartments in what has been designated the Jewish Quarter.

The first families moved in on the eve of Passover, among them the family of Rabbi Moshe Levinger, a leader of the messianic settlement movement who recently was acquitted in the fatal shooting of an Arab.

Levinger, who used to boast he could walk anywhere in Hebron unarmed, was hit by stones Tuesday near Beit Romano, in the Jewish Quarter. He was treated at a hospital and sent home.

The situation in Jerusalem was complicated when the government's Construction and Housing Ministry admitted Monday that it helped fund the acquisition of the building in the Christian Quarter that was taken over by Jews on April 11.

It is the first settlement of Jews in the Christian Quarter since Israel captured the Old City from Jordan in the Six-Day War of 1967.

The Greek Orthodox Church claims it owns the building and that the Jewish settlers leased it illegally. Israel's High Court of Justice is scheduled to review the case on Thursday.

The heads of the nine largest churches in Jerusalem decided Monday to escalate their protests against the Jewish settlers. They announced that Christian holy places in Jerusalem, Bethlehem and Nazareth will be closed in protest Friday. Church bells will ring on the hour for 24 hours.

ADL Expresses 'Deep Concern'

The Ministry of Religious Affairs reacted strongly. It accused the churches Tuesday of trying to affect the High Court's decision.

"This amounts to a basic and serious violation in the status quo that we strive to preserve in order to maintain regular religious services," the ministry said.

Mayor Teddy Kollek of Jerusalem, who has been critical of the settlers from the outset, said the reaction of the churches showed how hurt they were by events in the Christian Quarter.

In New York, the Anti-Defamation League of B'nai B'rith, a consistent supporter of Israel, expressed "deep concern" Tuesday over the government's revealed involvement in moving Jews into the Christian Quarter.

"This official support given to the Jewish settlers only serves to disrupt the status quo and gives ammunition to those wishing to upset the religious harmony which currently exists in the Holy City," the ADL said in a statement released by Burton Levinson and Abraham Foxman, national chairman and national director respectively.

A day earlier, the American Jewish Congress issued a statement saying it was "appalled" at the government's involvement in the effort.

The only succor came from the International Christian Embassy, a pro-Israel group identified with Christian fundamentalist denominations in America. The group called it "absurd" to "deny Jews the right to live in their own Jerusalem."

GREECE TO UPGRADE TIES WITH ISRAEL DESPITE STRAIN OVER OLD-CITY SETTLERS

By Jean Cohen

ATHENS, April 24 (JTA) -- Greece's new conservative prime minister, Constantine Mitsotakis, seems determined to establish full diplomatic relations with Israel, despite severe strains that have developed since 150 Orthodox Jews settled in a building in Jerusalem's Old City owned by the Greek Orthodox Church.

"We have taken the decision for the de jure recognition of Israel," Mitsotakis told Parliament on Tuesday in a speech outlining the policies of his New Democratic Party, which took power after the national elections April 8.

Another top-ranking Greek minister, Miltiades Evert, pledged that "the New Democracy government will normalize and improve its relations with Israel."

Greece has not had full diplomatic relations with Israel since its founding in 1948. The two countries have low-level ties, and Israel has had a diplomatic mission in Athens since 1949.

But despite the clear warming signs, Jews here are uneasy that the incident in Jerusalem could sour relations just as Greece's previously cool attitude toward Israel seems about to change.

When Moshe Gilboa, Israel's diplomatic representative in Athens, met with Foreign Minister Antonis Samaras on Tuesday to discuss de jure recognition, much of their conversation concerned the Greek Patriarchate's building, taken over by Jewish settlers.

Samaras made plain that his government was not happy with the events.

An Improved Atmosphere

Gilboa, who probably will be appointed Israel's first ambassador to Greece, expressed understanding of the Greek position. He promised to convey it to his government and do his best to solve the problem.

The Athens government has formally protested to Israel against the Jewish takeover of the church property. It is especially critical of the authorities for failing to implement an eviction order issued by a Jerusalem District Court on April 12, a day after the move.

Nevertheless, the atmosphere under the new center-right regime is considerably more amicably disposed to Jewish concerns than under the former Socialist regime of Andreas Papandreou.

The government sent three deputy ministers and two members of Parliament to the Jewish Cemetery for Holocaust Memorial Day ceremonies. It was the largest and highest-ranking official delegation since the ceremonies were instituted 35 years ago.

HOUSE OVERWHELMINGLY ADOPTS BILL DECLARING JERUSALEM ISRAEL'S CAPITAL

By Howard Rosenberg

WASHINGTON, April 24 (JTA) -- The House of Representatives overwhelmingly approved a non-binding resolution Tuesday declaring that "Jerusalem is and should remain the capital of the State of Israel."

The 378-34 vote came despite a threat Tuesday from a little-known Palestinian terrorist group in Beirut, which announced it would kill Americans unless the Senate rescinded an identical resolution it adopted a month ago.

The resolutions were initiated by Sen. Daniel Moynihan and Rep. Eliot Engel, both New York Democrats, after President Bush said he was concerned about Jewish settlements in East Jerusalem. While American presidents have objected to Jewish settlements in the West Bank, only Bush has raised questions about Jews living in parts of Jerusalem.

The Bush administration, like prior ones, has not recognized Jerusalem as Israel's capital and believes the city's final status should be decided through negotiations. It did not lobby against the resolution.

Thomas Dine, executive director of the American Israel Public Affairs Committee, said he was "delighted" with the vote by House members, saying they "affirmed their commitment to Jerusalem as Israel's capital."

Rep. David Obey (D-Wis.), who voted against the resolution, argued that Congress did not have to respond "collectively" to what he called Bush's "misstatements."

Obey, who is chairman of the Appropriations subcommittee with jurisdiction over foreign aid, said he would have preferred to have members of Congress respond individually to Bush's statement.

"I happen to personally believe Jerusalem will remain the capital of Israel, and that Jerusalem should and will remain undivided. Everybody knows that," he said.

Christian Quarter Issue Raised

But Rep. Dante Fascell (D-Fla.), chairman of the Foreign Affairs Committee, argued that it was "incumbent, particularly given the sensitivity of the political situation in Israel" to calm Israel's fears that the United States was shifting its stance on Jerusalem.

Rep. David Bonior (D-Mich.), who is of Arab descent, was the sole lawmaker to raise questions about the Israeli government's admission this week to aiding Jewish settlers in their efforts to buy a building in the Christian Quarter of Jerusalem's Old City.

Bonior called passage of the resolution "especially pernicious" coming soon after that incident.

"The Likud government has been providing this aid while lying, lying about the action, saying that they were providing no such aid," said Bonior.

"They even kept the fact from Jerusalem's mayor, who accused the government of covering up and said that these actions strained the delicate fabric of relations in the Old City."

"Today we should be asking tough questions" about whether Congress should approve \$400 million in loan guarantees to Israel for settling Soviet Jews in Israel, "instead of passing this resolution, which can only encourage more destabilizing settlements," Bonior added.

BELGIAN JEWS WON'T INTERFERE WITH RELEASE OF ARAB TERRORIST

By Yossi Lempkowitz

BRUSSELS, April 24 (JTA) -- The organized Jewish community will not interfere with the government's efforts to free Belgian hostages, even if it requires the release of a Palestinian terrorist serving a life sentence for murdering a Jewish boy.

That position was stated by Lazard Perez, president of the Coordinating Committee of Belgian Jewish Organizations.

In an interview with the European Jewish Press Agency, which publishes a daily Jewish news bulletin here, Perez made it clear that Belgian Jews will not take to the streets in protest.

"The Jewish community will not stand in the way of the policy that is followed by the Belgian government in order to find a solution to the hostage issue," Perez said.

"Even if we believe this to be an issue of an immoral nature, deals over the murderer of Jewish children, we do not want to be considered an obstacle, and therefore we do not want to intervene officially," the community leader explained.

The Jewish community is nevertheless deeply disturbed that the Belgian authorities are negotiating with the notorious Fatah Revolutionary Council, the group led by arch-terrorist Abu Nidal.

Only two weeks ago, Belgium's justice minister assured the Jewish community that no such negotiations were taking place.

The Abu Nidal organization is reportedly holding four Belgians hostage, all members of the Houtekins-Kets family, who were allegedly seized at sea in their pleasure boat in the eastern Mediterranean in November 1987. Three other members of the family were recently released.

'Green Light' From The Jews

Abu Nidal is reported to have said he will release them if Belgium first frees Said Nasser, a member of his gang who attacked a group of Jewish schoolboys with hand grenades in July 1979 as the youths were boarding a bus in Antwerp, bound for summer camp.

A 14-year-old boy was killed and several other children were wounded in the attack.

Nasser was tried and sentenced to death in 1980. Under Belgian law, death sentences are automatically commuted to life imprisonment, and prisoners serving life terms become eligible for parole after 20 years.

Nasser will complete his 10th year in prison in July, and speculation is rife that he will be released at that time.

But the Abu Nidal gang insists that he be set free immediately, to demonstrate that the Belgian government is bowing to its demands.

The Belgian Radio has interpreted Perez' remarks as a "green light" from the Jewish community to free Nasser.

"Jewish ethics stresses the primacy of safeguarding the lives of hostages in every circumstance," Perez said.

He added, "Inasmuch as Belgian law allows for the freeing of the murderer in about two months, we are not prepared to make demonstrations in the streets or put any obstacle in the way of freeing the hostages."

Perez succeeded the late Dr. Joseph Wybran, whose murder in October 1989 remains unsolved.

HUMAN ERROR BLAMED FOR CRASH OF HELICOPTERS THAT KILLED SEVEN

By Hugh Orgel

TEL AVIV, April 24 (JTA) -- Human error was responsible for Sunday night's midair collision of two air force helicopters, which killed seven air force crew members and officers, according to preliminary findings by a board of inquiry.

The high-level panel, named by the air force commander, Maj. Gen. Avi Hu Bin-Nun, began probing the causes of the disaster within hours after it occurred.

It is expected to release an interim report shortly, followed by a final report.

The two Sikorsky CH-53D transport helicopters, known as Stallions, were on a routine night training exercise over the Samaria region of the West Bank and Jordan Valley when they collided in a fireball.

The investigation so far has ruled out mechanical or structural failure or faulty equipment as causes of the accident.

The aircraft were flying at low altitude in acceptably close formation, the inquiry said, when they suddenly veered together and plunged to the ground in flames.

The four pilots and three crew members were killed.

The investigators said one or more of the pilots may have temporarily lost sight of the other aircraft only a few yards away because of a blind spot.

The disaster was one of the worst in the history of the Israel Defense Force. It coincided with the completion of a report of accidents in the IDF, ordered by the chief of staff, Lt. Gen. Dan Shomron.

Concern Over Suicide Rate

That report, submitted by Maj. Gen. Ya'acov Lapidot, commander of the National Defense College, is already under study by Shomron and his senior staff at General Headquarters.

The report is composed of two parts, one dealing with safety measures and accidents on work details and in training exercises. The other part deals with self-inflicted injuries and suicides among troops.

While the number of accidents is reported to have decreased in recent years, alarm has been expressed over the rising suicide rate in the Israeli army.

The Lapidot commission recommended creation of a special group under the chief of the IDF's manpower division to deal with that phenomenon.

The panel also recommended the establishment of a safety authority covering all branches of the armed services to oversee accident prevention.

NO INJURIES FROM BOMB ON ISRAELI BUS

By Hugh Orgel

TEL AVIV, April 24 (JTA) -- A bomb exploded in a bus bound from Tel Aviv to Lod on Tuesday morning, damaging the vehicle but causing no casualties.

Police said the explosive device was concealed in a parcel placed on a luggage rack above a rear seat.

Passengers were questioned in an effort to identify the perpetrator. The police investigation is continuing.

KEMP SAYS REMEMBRANCE OF HOLOCAUST BEST ASSURED WITH SURVIVAL OF ISRAEL

By David Friedman

WASHINGTON, April 24 (JTA) -- The best way to remember the Holocaust is to ensure the survival of Israel, Jack Kemp, secretary of housing and urban development, declared Tuesday.

Kemp urged all Americans to "cherish, protect and nurture" Israel as the successor of the Jewish civilization that was destroyed by the Nazis during World War II.

Speaking in the Rotunda of the Capitol before a standing-room audience that included many members of the Senate and the House, Kemp also called for the immediate repeal of the U.N. General Assembly's 1975 resolution equating Zionism with racism.

During the ceremony, the 10th annual National Civic Commemoration of the Days of Remembrance, Gen. Colin Powell, chairman of the Joint Chiefs of Staff, received the U.S. Holocaust Memorial Council's Eisenhower Liberation Medal on behalf of all U.S. servicemen who participated in the liberation of the concentration camps 45 years ago.

Harvey Meyerhoff, the council's chairman, who presented the medal, noted that in three years he expects the ceremony to be held at the U.S. Holocaust Memorial Museum now being built near the Washington Monument.

Benjamin Meed, chairman of the Days of Remembrance Committee, said that he and other survivors can neither forgive nor forget the crimes of the Holocaust.

"The challenge is here, today, for us to write history's new chapters, and not let others rewrite camouflaged texts," he said.

The most moving part of the ceremony came when six members of Congress, each accompanied by a survivor, lit six large candles in memory of the 6 million Jews who died in the Holocaust.

The El Moleh Rachamim was chanted by Cantor Joseph Malovany, of the Fifth Avenue Synagogue in New York, and the Kaddish was recited by Abraham Foxman, vice chairman of the remembrance committee and national director of the Anti-Defamation League of B'nai B'rith.

The U.S. Army Band played such songs as "Es Brent" and the "Hymn of the Partisans."

On Sunday, Yom Hashoah, a special Holocaust memorial event was held on the steps of the Capitol in conjunction with similar events held in 22 cities across the United States.

The project, called "Unto Every Person There Is A Name" and sponsored by B'nai B'rith International, involved the reading aloud of a roll call of names of Jewish victims of the Holocaust.

More than 100 volunteers, Jews and non-Jews of all ages, including passers-by, took part.

TRACKING LITHUANIAN COLLABORATORS IS A PROJECT OF WIESENTHAL CENTER

By Hugh Orgel

TEL AVIV, April 24 (JTA) -- A global effort to track down Lithuanian war criminals who helped the Nazis murder tens of thousands of Jews during World War II will end its first phase this week.

Efraim Zuroff, Israel director of the Los Angeles-based Simon Wiesenthal Center, delivered the names of 186 suspects here Tuesday to the embassies of West Germany and Australia, the countries where they may be living.

Additional names will be presented to the U.S. authorities in Washington later this week.

That will complete the research half of the project, undertaken by the Wiesenthal Center six months ago to establish the whereabouts of the suspects. Earlier lists were submitted to the United States, Canada, Britain, West Germany and Australia.

Altogether, they contain the names of 1,284 suspects, most of them Lithuanians, but a few of them Poles. According to the Wiesenthal Center, only 13 percent were previously known.

It is estimated that about one-third of the perpetrators from areas presently part of the Soviet Union escaped to Western countries.

Those escapees are believed responsible for the murders of over 200,000 Jews and the destruction of 171 Jewish communities in Lithuania, Zuroff said.

The data substantiating the lists was compiled from the testimony of approximately 200 survivors of prewar Lithuanian Jewry. It was collected between 1945 and 1949 by Leib Kunichowsky, a survivor of the Kovno ghetto. The list was only recently turned over to the Yad Vashem archives in Jerusalem.

The list submitted to West Germany on Tuesday contains 131 names, of which 39 constitute "good material for prosecution," Zuroff said.

According to Zuroff, that means the suspects are known to be alive and residing in West Germany.

The Australian list consists of 55 names, of which 19 are "good material," according to Zuroff.

The organization of Lithuanian Jews in Israel demanded only this week that Lithuania emulate East Germany by admitting the role Lithuanians played in the Holocaust.

So far, the Baltic country has had nothing to say on that subject, though it is soliciting worldwide support of its proclamation of independence from the Soviet Union.

NEO-NAZIS FETE HITLER'S BIRTHDAY

By Edwin Eytan

PARIS, April 24 (JTA) -- About 13 young neo-Nazis and a handful of wartime Nazi collaborators slurred Jews and toasted "the fuhrer's good health" at a beery reunion in a local tavern here Sunday to mark Hitler's 101st birthday.

It is an annual event for French racists. This year, for the first time, two rival extremist groups, the National European Movement and the French Nationalist and European Party, celebrated together.

Both are outlawed in France.

The Alsatian beer hall they chose abuts the traditional Jewish "Pletzel," the old Jewish quarter of Paris.

Although the site was supposed to be secret, dozens of police were on hand to prevent possible clashes between the racists and anti-Nazis.

No incidents occurred.

A reporter from one French newspaper, who infiltrated the party, wrote Monday that "siege heils" and anti-Semitic remarks were part of the general conversation, but no speeches were made.

Several members of the French Nationalist and European Party were indicted last year for attacking a hostel for North African immigrant workers in southern France.

An Algerian worker was killed and two others were injured.