

PRISONER SWAP APPEARS IN THE CARDS AMID TALK OF IMMINENT ISRAELI GESTURE

By David Landau

JERUSALEM, Aug. 13 (JTA) -- While Israel continues publicly to reject international pressure to release Shi'ite prisoners from jail unilaterally, a deal involving an exchange of prisoners for Western hostages appears to be in the works.

There were media reports Tuesday that Israel would free Sheik Abdul Karim Obeid on Saturday. Obeid, spiritual leader of one of the hostage-taking groups, was captured by Israeli commandos at his home in Lebanon in July 1989.

Western leaders believe that Obeid's release, long sought by militant Shi'ites in Lebanon, could lead to the release of 10 Western hostages being held by Shi'ite groups in Lebanon.

The captors are also demanding that Israel free over 300 Shi'ite prisoners being held in a detention center in southern Lebanon.

Israel insists first on receiving information about the fate of its seven soldiers missing in Lebanon.

On that score, the Times of London quoted sources within the Hezbollah on Tuesday as claiming that two Israeli soldiers are alive and in the hands of the Shi'ite fundamentalist movement.

On Tuesday evening, the Cable News Network quoted Palestinian terrorist Ahmed Jabril as saying that three of the Israeli servicemen are alive, three are dead and one is unaccounted for.

In Geneva, U.N. Secretary-General Javier Perez de Cuellar said Tuesday that he was optimistic a prisoner-for-hostages exchange would take place.

Perez de Cuellar was to hold a second round of talks Wednesday with Uri Lubrani, coordinator of Israeli affairs in Lebanon, and Yohanan Bein, head of the international organizations division of Israel's Foreign Ministry.

The U.N. chief had met with the two Israelis on Sunday night. They then returned to Jerusalem for consultations.

Panel Rejects Unilateral Release

Meanwhile, the Knesset Foreign Affairs and Defense Committee passed a strongly worded resolution Tuesday rejecting Western pressure for a unilateral gesture by Israel in the ongoing drama surrounding hostage releases.

The committee endorsed the government's principled stand that Israel should not be called upon to make any move unless and until it receives firm information on the whereabouts or conditions of its missing servicemen in Lebanon.

The resolution was seen as furnishing a non-partisan rebuff to urgings by British Prime Minister John Major and other Western leaders that Israel release its Shi'ite prisoners, in wake of the recent release of Western hostages in Beirut.

The government's official position remains that Israel is willing, indeed anxious, to contribute to an international prisoner swap, but only if its own MIAs are included.

But unofficial sources said Israel would soon free more than 300 Lebanese prisoners held by the allied South Lebanese Army at the El-Khiam jail, just north of the Israeli-Lebanese border.

Observers said that the return of the Israeli

delegation to Geneva was strong evidence that negotiations to bring about the release of Western hostages have already reached an advanced stage.

But the same observers cast doubt on the reports that Israel would free Sheik Obeid. The story was first carried by the Iranian News Agency, which cited reputedly reputable Moslem sources in Lebanon.

The French daily Le Monde also reported that Israel would free Obeid as part of a secret deal struck among the captors, the United States and Britain.

The non-partisan Israeli daily Hadashot, in an editorial Tuesday, called on the government to free "say 10 or 15 low-ranking detainees." It said Israel could "afford" to make this gesture, given the numbers of detainees it is willing to release in a general exchange.

NEWS ANALYSIS:

U.S. WON'T MAKE DEALS WITH TERRORISTS BUT DOES NOT MIND IF ISRAEL DOES SO

By David Friedman

WASHINGTON, Aug. 13 (JTA) -- The Bush administration is nudging Israel to do what Washington insists the United States will never do: make deals with hostages.

Washington is not directly pressing Israel publicly or privately to free some or all of the more than 300 Lebanese prisoners it holds to encourage the release of 10 Western hostages in Lebanon.

Rather, it is making the same point by implying that most of the Lebanese prisoners that Israel holds are hostages, too.

President Bush said Sunday that all hostages in the Middle East should be released. He did not specifically name Israel, nor did State Department spokesman Richard Boucher when he expanded on Bush's statement Tuesday.

"We hold that all people that are being held outside the judicial system in the region should be released," Boucher said.

He restated the U.S. position that Washington does not "make any deals" with terrorists. "We don't urge third parties to make any deals."

The same position was enunciated by Doug Davidson, a White House spokesman, from Bush's vacation home in Kennebunkport, Maine.

"Our policy is that we will not negotiate for the release of hostages," Davidson said Tuesday. "But we will not tell others what to do."

The U.S. position is in contrast to statements by British Prime Minister John Major and U.N. Secretary-General Javier Perez de Cuellar, who have urged Israel to release some of the Lebanese prisoners in the hope of winning the Western hostages' freedom.

"Words like 'reciprocate' don't appear in our vocabulary," Boucher said. He said the U.S. position is that all hostages should be released immediately without conditions.

Israel's position, even before the terrorists released a British and an American hostage, was that it would free the Lebanese prisoners in return for seven Israeli soldiers being held in Lebanon or, if they are dead, their remains.

On Monday, the Israeli government went a step further, saying it was willing to enter nego-

tations on a prisoner swap if it received information on the fate of the seven missing soldiers.

When Bush was asked about the Israeli concern over its soldiers Tuesday, he replied that "there should be a full accounting."

U.S. Not Involved In Geneva Talks

A State Department official pointed out that unlike the United States, Israel has always been willing to deal with terrorists in order to recover captured Israelis. "They kidnap people in order to make deals," he said of the Israelis.

The official said that Israeli Deputy Foreign Minister Benjamin Netanyahu conceded as much when he said in a television interview Sunday that Israel seized Sheik Abdul Karim Obeid in 1989 to use as leverage to get its soldiers back.

But Netanyahu said that Obeid is the "godfather of the mafia that takes hostages," not an innocent person kidnapped from the street, as were the Western hostages. He said the Lebanese being held by Israelis are people captured trying to infiltrate into Israel.

Boucher maintained that the United States is not taking any part in the talks Perez de Cuellar is holding in Geneva on the hostages, even as an observer. What the United States is doing is keeping in touch with the United Nations and the countries involved in the situation, he said.

In Kennebunkport, Bush praised Perez de Cuellar on Tuesday for being "willing to go the extra mile." He said the secretary-general, with whom he had talked Tuesday, was "sure trying hard, and maybe it will have some results."

But "it's still murky, still ugly business," the president stressed. He said the letter Perez de Cuellar received from the Islamic Jihad terrorist group "still needs clarification" and does not give him "any reason to be extraordinarily hopeful."

The letter, which freed British hostage John McCarthy delivered Sunday to Perez de Cuellar, said that Islamic Jihad would discuss the release of other hostages if the United Nations is able to "secure the release of our freedom fighters from prisons in occupied Palestine and Europe."

U.S. TEAM FAILS TO SOLVE ISSUE OF PALESTINIAN REPRESENTATION By Gil Sedan

JERUSALEM, Aug. 13 (JTA) -- A team of U.S. diplomats has ended a weeklong mission in Israel and Jordan, apparently without resolving the problem of who will represent the Palestinians in peace negotiations with Israel.

Failure to resolve this issue could scuttle U.S.-Soviet plans to convene a Middle East peace conference in October.

Israel has made its participation in the conference conditional on resolving the issue of Palestinian representation. It is insisting that the Palestine Liberation Organization play no part in selecting the delegation and that it include only residents of the West Bank and Gaza Strip, not East Jerusalem.

Jordan has also left its participation in the peace conference in doubt, saying that it will refuse to serve as a substitute for Palestinian negotiators.

Jordanian Prime Minister Taher al-Masri said in a television interview Monday that his country has not yet made up its mind about what course of action to take if an agreement cannot be reached on Palestinian representation.

The team of U.S. diplomats included Daniel

Kurtzer, U.S. deputy assistant secretary of state for Near Eastern and South Asian affairs; Aaron Miller, a member of the State Department's policy planning staff; and Edmund Hull of the National Security Council.

They arrived here Aug. 6 to draft a memorandum of understanding on the composition of the joint Jordanian-Palestinian delegation that would negotiate directly with Israel.

'No Memorandum Yet'

But according to the Israeli daily Ha'aretz, the team encountered obstacles in drafting the memorandum.

The U.S. diplomats conferred here last week with both Israeli officials and Palestinian representatives, and then went to Amman for discussions with Jordanian officials.

A Jordanian official quoted by Ha'aretz said after the meetings in Amman, "There is no memorandum yet, but eventually there will be. There are different disagreements, but we are discussing them."

The Americans returned here Monday from Amman and met again that night with the Israeli team. No progress was made on the issue of Palestinian representation, Ha'aretz reported.

The U.S. team did not hold another meeting with Palestinian representatives here before returning to Washington.

Ha'aretz speculated that after conferring in Washington with Secretary of State James Baker, the U.S. team would return here to continue its talks. It said Baker would also likely return to the region sometime next month.

In Washington, the State Department confirmed Tuesday that the U.S. team was returning from the region after holding "expert-level" discussions in Israel and Jordan. But it would not say whether progress was made on resolving the issue of Palestinian representation.

Meanwhile, influential Palestinians in the administered territories are insisting that the PLO select the list of participants in the peace talks, and they say the PLO's conditions for the talks must be met.

The PLO has not yet agreed to Palestinian participation in the peace conference or named any negotiators, apparently to avoid an all-out confrontation with Israel.

Proposed Lists Circulating

In the meantime, observers in the Arab media and street-corner pundits are busy composing various combinations of lists.

The latest list making the rounds would include Ziad Abu-Ziad, a moderate journalist; Mustafa Natshe, former mayor of Hebron; Ghassan Shaka, a Nablus businessman; and a number of lesser-known figures.

Significantly, the list does not mention Faisal Husseini and Hanan Ashrawi, two key Palestinians who have been negotiating with Baker.

The omission is an apparent attempt to overcome Israel's insistence on not talking to any representatives of East Jerusalem, which Israel regards as part and parcel of the state. Husseini lives in East Jerusalem.

Husseini said this week that all talk about the Palestinian delegation is much too early. He said the names would not be published until the PLO's assembly, the Palestine National Council, meets to discuss the peace process next month.

(JTA correspondent David Friedman in Washington contributed to this report.)

**RUSSIAN REPUBLIC AGREES TO LAUNCH
DIRECT FLIGHTS TO ISRAEL FOR OLIM**

JERUSALEM, Aug. 13 (JTA) -- The government of the Russian republic has agreed to inaugurate direct flights to Israel for Soviet Jewish emigres.

Simcha Dinitz, chairman of the Jewish Agency for Israel, reported the news from Moscow after meeting there with Ivan Silayev, premier of the Russian republic.

Silayev told Dinitz that the flights would be offered by a new airline the republic is presently setting up. But the airline still needs the approval of the Soviet central authorities.

If approved, the new airline also would be able to transport Jewish emigres from other Soviet republics, the Russian premier said.

Silayev also promised to use his influence to help the Jewish Agency obtain full authorization to carry out its operations in the Russian republic. The agency has obtained official permission from both Moscow and Leningrad to open offices in those cities.

Israel has long sought direct flights between Moscow and Tel Aviv to simplify transportation for Soviet Jews immigrating to Israel. Emigres are not permitted on the limited direct flights that now exist and must instead travel to Israel via Budapest, Prague, Bucharest or other European transit points.

The Soviet central government, which does not yet have full diplomatic relations with Israel, has been reluctant to establish direct flights for Israel. But that hesitation is apparently not shared by the new government of the Russian republic, headed by President Boris Yeltsin.

Dinitz also met last week with Yevgeny Vilechkov, deputy premier of the Soviet Union, who reportedly told him that his government regards the activities of the Jewish Agency in the Soviet Union as a "normal development."

He, too, spoke favorably of direct flights for emigrants.

Yevgeny Levadov, secretary of the Soviet Workers Union, expressed the union's readiness to assist prospective Soviet Jewish emigres in professional retraining programs, which the Jewish Agency conducts in the Soviet Union with the Soviet Institute for Foreign Trade.

Visa Requests Picking Up

Speaking at a news conference during the weekend in Moscow, Dinitz said that in his meetings with Soviet Jews, he had learned that their desire to immigrate to Israel had not diminished and that many Jews are waiting for a sign from Israel that conditions there, particularly in the field of employment, will improve.

Dinitz said that during the first week of August, the number of Israeli visa requests had increased. He expressed confidence that the number would continue to increase gradually.

Meanwhile, Dinitz was involved in an unusual flap with members of Chabad, the Lubavitch Hasidic movement. Dinitz objected when a group of Chabad youths visiting Babi Yar refused to join in singing Hatikvah, Israel's national anthem, at the end of a memorial ceremony at the site where tens of thousands of Jews were massacred during the Holocaust.

In a telephone call from Kiev, Dinitz said he had remonstrated the adult accompanying some 50 boys and girls from the Chabad movement. He complained that they were silent now that they

are free to sing the anthem, after decades during which Soviet authorities refused to acknowledge the mass murder of Jews at the site.

Dinitz said the Chabadniks' main objection to Hatikvah was the phrase "to live as a free people." He was told, "If that means freedom from religion, then we cannot accept that."

Dinitz, who met last week with Ukrainian officials in Kiev, was told a menorah-shaped monument to the Jews killed at Babi Yar is to be erected soon.

The Jewish Agency chairman also said the president of the Ukrainian Parliament, Vladimir Garinev, had told him, "With the improving relations between the Ukraine and Israel, Ukrainians should ask to be rehabilitated, given the dark history of their relations with the Jewish people."

Garinev, who is leader of the opposition in the Parliament, is expected to visit Israel shortly.

(JTA correspondent Hugh Orgel in Tel Aviv contributed to this report.)

**CHARGES REDUCED FOR JEWISH SETTLER
IMPLICATED IN MURDER OF ARAB YOUTH
By Gil Sedan**

JERUSALEM, Aug. 13 (JTA) -- A West Bank Jewish settlement leader charged with shooting to death an Arab youth may end up serving only six months in prison, under a plea bargain accepted this week by the prosecution and the defense.

Pinchas Wallerstein, mayor of the regional council of Mateh Binyamin, was charged three years ago with killing an Arab youth and wounding another youth outside the village of Beitin, near Ramallah.

Wallerstein opened fire when his car reached a roadblock the youths had built with stones and a burning tire. When his car was unable to move forward, he at first fired into the air.

When the youths approached the car anyway, Wallerstein felt his life was being threatened. He then fired in the direction of the youths, killing one of them and injuring the other.

In the plea bargain, Wallerstein admitted he had used his weapon "irresponsibly" by shooting bursts of fire.

The state substituted "causing death and damage out of negligence" for the original charge of "killing," and agreed to ask for only a six-month jail sentence.

The sentence will be handed down shortly.

**BOMB DISMANTLED IN JERUSALEM
By Gil Sedan**

JERUSALEM, Aug. 13 (JTA) -- An explosive device was safely dismantled Tuesday at the Mahaneh Yehuda open-air market, one of the busiest spots in the capital.

The sabotage attempt was foiled, thanks to the alertness of the owner of a souvenir shop in the market. Shortly after 10 a.m., Mordechai Parides spotted a suspicious bag at the entrance to his store.

Police who rushed to the scene evacuated shoppers from the area and dismantled the explosive device. No one was hurt, and there was no immediate word on suspects.

Violence connected to the Palestinian uprising has been increasing in Jerusalem in recent weeks, as prospects of Arab-Israeli peace talks have improved. Palestinians are angered by Israel's insistence on excluding from the talks any Arab residents of East Jerusalem.

EVANGELICALS ADVOCATE URGENCY OF CONVERTING JEWS TO GOSPEL

By Henriette Boas

AMSTERDAM, Aug. 13 (JTA) -- An international conference of Evangelical Christians has concluded a week-long meeting in the Netherlands with a statement calling for the Christian church as a whole to "affirm the urgency of Jewish evangelism and to take the whole Gospel to Jewish people everywhere."

The group, which met Aug. 5 to 9 in the Dutch city of Utrecht, urged Jews to recognize "Yeshua of Nazareth" during the current period of messianic revival, and said, in a closing statement, "We lament the widespread reluctance to share the Gospel with Jewish people."

The group, the Lausanne Consultation on Jewish Evangelism, also issued a statement decrying anti-Semitism.

The Lausanne Consultation is composed of Hebrew Christian churches, including Jews for Jesus, Christian Evangelical churches that have a special mission to convert Jews, and Jews who have converted to Christianity.

About 150 members from five continents attended the conference, according to Susan Perlman, a member of the group's international coordinating committee and information officer for Jews for Jesus, which is based in San Francisco.

The Lausanne Consultation on Jewish Evangelism meets every three years internationally, and regionally once a year, according to Perlman.

The danger of the group "is not in the conference, which is basically the same people getting together time after time, but in the globalization of these Hebrew Christian groups," explained Rabbi A. James Rudin, national director of interreligious affairs for the American Jewish Committee in New York.

Some of those who participated in the meeting here were from Eastern Europe, where they often operate anonymously. At least one organization, called Christian Care East West, offers to help Eastern European Jews who want to leave for the West.

Signs of these groups' future progress missionizing Jews is "somewhat ominous," especially in Eastern Europe, with "its long and bitter history of anti-Semitism," Rudin said.

Rabbi Leon Klenicki, director of interfaith affairs for the Anti-Defamation League in New York, said that in light of recent progress in Jewish-Christian dialogue, the group's attitude toward Jews "goes back to the Middle Ages."

(JTA staff writer Debra Nussbaum Cohen in New York contributed to this report.)

ADL CALLS ON SOUTH KOREA TO IMPROVE TIES WITH ISRAEL

By Jackie Rothenberg

NEW YORK, Aug. 13 (JTA) -- The Anti-Defamation League is calling on the South Korean government to develop full diplomatic and economic ties with Israel, now that the U.N. Security Council has voted to recommend South Korea's admission to the U.N. General Assembly.

In response to the Security Council resolution, adopted Aug. 8, ADL's national chairman, Melvin Salberg, and its national director, Abraham Foxman, issued a joint statement, saying:

"The decision to admit South Korea is one more sign of the new world that is emerging. In order for South Korea to fully participate in the

spirit of that new world, it should end its policy of isolating Israel."

Diplomatic relations do exist between the two countries, although they are admittedly strained. While South Korea has formally recognized Israel, it has never established an embassy there. It is represented by a non-resident ambassador based in Rome.

In 1978, Israel closed its embassy in Seoul because of budgetary constraints. Despite attempts on the part of the Israelis, the South Korean government has refused to allow Israel to reopen the embassy, which was established in 1964. Instead, Israel's ambassador in Tokyo maintains dual accreditation.

Kenneth Jacobson, director of international relations for the ADL, said South Korean officials had told visiting Israeli and American officials that they would consider reopening the embassy after the 1988 Olympic Games in Seoul.

When that date passed with no move to reopen the embassy, South Korea announced a new target date, set to coincide with South Korea's membership in the United Nations. Now, Jacobson said, that time has come.

Shinil Park, minister of information at the South Korean Embassy in Washington, said his government had no official comment on relations with Israel at this time. But he added, "We are aware of the importance of the issue."

Much of the strain in relations can be traced to South Korea's pro-Arab stance, including its support of the Arab boycott of Israel and its recognition of the Palestine Liberation Organization as the representative of the Palestinians.

There has been a small improvement in trade relations, as evidenced by last year's \$113 million of bilateral trade, up \$10 million from 1989.

But references to trade with Israel are not made in official statements and publications. And many major South Korean corporations either do not trade with Israel, or do not do so openly.

Some members of Congress have relayed their concerns about trade relations between Israel and South Korea to President Bush and Secretary of State James Baker, urging them to bring the matter up with South Korean officials.

The Security Council resolution, which recommends membership for North as well as South Korea, is expected to be taken up by the General Assembly on Sept. 17, the opening day of its 46th session.

ROBERT MAXWELL LOCKS UP MA'ARIV

By Hugh Orgel

TEL AVIV, Aug. 13 (JTA) -- International publishing magnate Robert Maxwell has gained complete control of Ma'ariv, Israel's second-largest circulation daily.

Maxwell, the paper's chairman and publisher, originally bought a 50 percent interest in Ma'ariv in 1990. His share now stands at over 70 percent.

Dov Judkowsky, until now chairman and group editor at Ma'ariv, has been named the editor in chief.

Maxwell also has a large stake in Israel's Russian-speaking market. In March, he launched a Russian-language weekly, Vremya, which is affiliated with Ma'ariv.

Ido Dissentchik, present editor in chief of Ma'ariv, said Tuesday he would vacate that position only after completion of the stock transfers.

Maxwell has said he will continue to invest in Israel, mainly in the publishing fields.