

IDF'S CAPTURE OF HEZBOLLAH LEADER PRAISED IN ISRAEL, BUT U.S. WORRIED

By Hugh Orgel

TEL AVIV, July 30 (JTA) -- Israel's capture of an Islamic fundamentalist leader in Lebanon on Friday has boosted confidence here in the Israel Defense Force, while at the same time raising fears in the United States about the fate of an American hostage.

Sheikh Abdel Karim Obeid, a leader of the radical Hezbollah, or Party of God, was snatched from his home in southern Lebanon by Israeli commandos and whisked by helicopter to Israel, where he was interrogated this weekend about anti-Israel activities.

Obeid is said to have been instrumental in planning both rocket attacks on Israeli targets and attacks against the IDF in southern Lebanon.

He also has been linked to various kidnappings in southern Lebanon, including the 1988 abduction of American Marine Lt. Col. William Higgins.

A pro-Iranian group, called the Organization of the Oppressed on Earth, warned Sunday that it would kill Higgins on Monday morning if Obeid, and two of his aides who were also captured, are not freed.

That organization, which Obeid heads, is said to be a front group for Hezbollah.

The United States condemned the threat made on Higgins' life Sunday, in statements issued from Washington and Paris, where Secretary of State James Baker was attending an 18-nation conference on the future of Cambodia.

In Paris, State Department spokeswoman Margaret Tutwiler called the threat "outrageous and uncivilized."

In Washington, the White House issued a statement calling for "those who have influence" with holders of American hostages, to ensure their safety.

By One Killed In Attack

Obeid's capture was reportedly carried out in the wee hours of Friday morning by 25 members of an IDF commando unit trained for such operations.

The team flew by helicopter to a wadi (dry river bed) about a mile from Jibchit village, where Obeid lives. The Israelis, dressed in dark clothes and armed with silencer pistols, made their way on foot to Obeid's house.

A small explosive charge was used to blast open the front door. The raiding party burst in, overcoming the Hezbollah leader's guards in a short gunfight.

A neighbor of Obeid's was reportedly fatally shot in the head. Obeid's wife and five children were gagged and bound, but not hurt.

None of the Israeli soldiers was injured in the encounter.

Obeid and his two assistants, Ahmed Obeid and Hashem Fahes, were then taken back to the waiting helicopter and flown to Israel.

While the raid was in progress, air force planes flew diversionary raids over areas of western Lebanon and other aircraft flew over Jibchit village, reportedly to cover up the sounds of the helicopter as it landed.

There has been wide speculation here that Israel plans to try to exchange Obeid and his two aides, who were also seized, for three Israeli soldiers held captive in Lebanon.

Rahamim Alsheikh and Yossi Fink were captured in 1986, when their patrol was ambushed in the border security zone. They are thought to be held by Hezbollah.

Ron Arad, a navigator of an IDF jet downed over Lebanon in October 1986, was known to have been captured and held by Hezbollah's rival, the mainstream Shiite Amal militia.

Israeli army sources are refusing to comment on whether or not the capture of the Hezbollah chief in southern Lebanon was performed with the intention of negotiating a prisoner exchange.

The operation itself has been praised in Israel and hailed as proof that the IDF has lost none of its initiative and fighting capability. Senior officers were quoted as saying the operation was performed with "surgical precision."

It has boosted the image of the IDF, which has been flagging during the past 20 months as a result of its inability to halt the uprising.

U.S. AND SOVIET OFFICIALS AGREE TO INCREASE CONTACTS ON MIDEAST

By Edwin Eytan

PARIS, July 30 (JTA) -- U.S. Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze have agreed to step up cooperation on the Middle East and have appointed high-ranking aides to serve as their liaisons on the subject.

The two men are here for a Cambodian peace conference that began Sunday with the participation of 18 countries. They discussed their Middle East priorities during nearly three hours of talks on world issues, including the Arab-Israeli conflict.

They also agreed that another meeting in September could lead to a summit meeting between President Bush and Soviet President Mikhail Gorbachev.

Baker and Shevardnadze agreed to have Dennis Ross, the director of policy planning for the State Department, and Soviet Deputy Foreign Minister Gennady Terrasov act as their representatives on the Middle East.

The two appointees, in fact, are both already involved in the policy area and have each met with Israeli officials. Ross, who is Jewish, has already been to the Middle East on one mission for the Bush administration.

Terrasov, who is described as close to Gorbachev, met July 20 in Tunis with Palestine Liberation Organization leader Yasir Arafat. He later briefed an Israeli Labor Party official, Nimrod Novik, on the talks during a meeting here in Paris.

Novik, who is a close aide to Vice Premier Shimon Peres, was told that the PLO was ready to accept, under certain conditions, Prime Minister Yitzhak Shamir's plan for Palestinian elections in the administered territories.

Furthermore, it was reported from Moscow last week that Terrasov would soon be visiting Israel, even though Moscow has yet to re-establish full diplomatic relations.

The U.S.-Soviet decision to increase coordination on the Middle East "shows that our two countries are no longer adversaries or backing enemies, but are determined to work out a joint solution satisfactory to both sides," a Soviet commentator who did not wish to be identified told the Jewish Telegraphic Agency.

French officials who have been in close contact this weekend with both Baker and Shevardnadze say their decision augurs well, spelling the end of East-West confrontation on the issue.

The two are expected to take up the issue again when they meet Sept. 19 and 20 in Jackson Hole, Wyoming.

The venue, where Baker owns a ranch, was chosen as a novel alternative to New York, the usual location for high-level meetings that take place while the U.N. General Assembly is in session.

Their meeting here, which took place at the Soviet ambassador's home, was described as "relaxed, shirt-sleeved, friendly and businesslike."

Diplomatic sources said the two men expressed different views on various issues but were pretty close on their Middle East analysis.

TWO ANTI-ISRAEL RESOLUTIONS CLEAR U.N. BODY, WITH EUROPEAN SUPPORT By Tamar Levy

GENEVA, July 30 (JTA) -- Israeli officials here expressed disappointment with the adoption of two anti-Israel resolutions Thursday by the United Nations Economic and Social Council.

The adoption of the two measures had been anticipated, but the margin of defeat came as a bitter surprise. Only the United States opposed the measures, both of which passed by a vote of 48-1.

Support for the measures by European nations, including Britain, Germany and France, particularly disappointed the Israelis, who hold observer status at the council.

Avraham Milo, Israel's deputy representative to the United Nations European headquarters here, said the Israelis did their best to dissuade the Europeans from voting for the resolutions.

One measure expressed concern over Israeli trade practices in the West Bank, Gaza Strip and Golan Heights, as outlined in a report issued by U.N. Secretary-General Javier Perez de Cuellar.

The resolution also asked the secretary-general to prepare a comprehensive report on Israeli land and water policies in the administered territories and to submit the report to the 45th U.N. General Assembly, which convenes in New York this fall.

In a second resolution, the council called on the international community, the U.N. system, and the intergovernmental and non-governmental organizations to increase assistance to the Palestinian people "in close cooperation with the Palestine Liberation Organization."

It also called for Israel to lift certain restrictions, which it said hinder the implementation of U.N. assistance programs.

Harry Cahill, the U.S. delegate to council, said that while the United States firmly supports assistance to the Palestinian people, it does not believe in channeling funds for this purpose through the PLO.

He said both resolutions were unbalanced in their criticism of Israel and did not contribute in any practical way to improving the situation in the administered territories.

DESPITE DENIALS, ISRAEL AND PLO ARE INCREASING INDIRECT CONTACTS By Gil Sedan

TEL AVIV, July 30 (JTA) -- Despite denials by Prime Minister Yitzhak Shamir, there appears to be increasing evidence of indirect contacts between the Palestine Liberation Organization and Israeli officials.

In fact, Shamir himself was briefed Sunday by Vice Premier Shimon Peres on messages from the PLO conveyed by a Soviet envoy to Peres' adviser, Nimrod Novik.

Novik had met a week before in Paris with Gennady Terrasov, director of the Soviet Foreign Ministry's Middle East department. Terrasov had come from Tunis, where he met with PLO leaders.

The latest reported indirect contacts with the PLO have involved Deputy Finance Minister Yossi Beilin, who, like Novik, is a Labor Party member with dovish views and close ties to Peres.

Beilin initiated a meeting Sunday with Palestinian activist Faisal Husseini, who is considered a senior contact for Al Fatah, the wing of the PLO controlled by Yasir Arafat. Husseini was released from administrative detention in Israel several months ago.

Husseini is rumored to have acted as a go-between for Israel and the PLO, and to have played a key role in the reopening of schools in the West Bank last week by convincing the PLO to approve the move.

On the same day that Husseini's meeting with Beilin was scheduled to take place, Gen. Amram Mitzna, head of the Israel Defense Force's central command, extended an order closing the Institute for Arab Studies in East Jerusalem, which Husseini runs.

Dutch Mediation Fails

Authorities first shut down the institute last year, claiming that it served as a center for subversive activities. They have now extended the closure for another year.

Husseini claims that the institute is purely an academic organization and has vowed to continue his activities.

Meanwhile, a Dutch effort to bring the PLO and Israel closer together was shelved Sunday.

As part of an effort to produce a memorandum of understanding between Labor Party doves and PLO leaders, former Dutch Foreign Minister Max van der Stoep had been scheduled to meet with Beilin.

But with insufficient support for the document from both the PLO and the Israelis, the Dutch decided to put it aside.

The memo was to have included these points:

- Recognition of the Palestinian people's right to self-determination;
- Agreement to reach a settlement in stages, with linkage between the interim and final settlements and without rejecting any options;
- Settlement of the refugee problem;
- Guarantee of Israel's security;
- Support for U.N. Security Council Resolutions 242 and 338, which call for the Israeli return of land in exchange for peace;
- Prevention of terror in all forms; and
- Agreement to elections in the territories as an important step in the process.

Van der Stoep also failed in his attempt to arrange a meeting at the end of June between Beilin and Abdullah Hourani, a member of the PLO Executive, who were in Holland at the time.

CABINET ORDERS INTERIOR MINISTRY TO REDESIGN NATIONAL IDENTITY CARDS

By Cathrine Gerson

JERUSALEM, July 30 (JTA) -- Israel's Cabinet criticized Interior Minister Arye Deri on Sunday for attempting to circumvent a court ruling ordering his ministry to register non-Orthodox converts to Judaism as Jews.

Following the July 24 ruling by the High Court of Justice, the Interior Ministry began affixing stickers to newly issued identity cards, saying that information listed on them about the holders' nationality or religion could not necessarily be verified.

Deri, who represents the ultra-Orthodox Shas party, instituted the stickers, because the ultra-Orthodox do not regard Reform and Conservative converts as Jews.

The court would not allow him to distinguish between non-Orthodox converts and those traditionally considered as Jews, so he simply raised doubts about the authenticity of the information contained on the cards.

On Sunday, the Cabinet criticized that practice and ordered Deri to work with Attorney General Yosef Harish to redesign the identity cards to comply with the court ruling.

As a compromise, Harish suggested that the cards include a statement saying that they serve as proof of a holder's place of birth, age, sex and other personal characteristics.

But he said no specific mention should be made of entries on the card pertaining to the holder's nationality or religious status.

Deri himself, however, told reporters after the meeting that the identity cards will state something like: "All information stated on this card can be used as evidence, apart from the details of nationality and personal status."

If he succeeds in getting such language on the cards, the Cabinet will have replaced the temporary stickers affixed to the cards last week with a printed text stating the same reservations.

Deri's actions were criticized by the vast majority of the Cabinet members, from the right to the left, including Ministers Ze'evulun Hammer and Avner Shaki, who represent the Orthodox National Religious Party.

Hammer, who serves as religious affairs minister, said that if Deri is unwilling to take responsibility for the Population Registry, it should be transferred to a more obliging Cabinet member.

POLICE ARREST SEVEN KACH ACTIVISTS

By Gil Sedan

JERUSALEM, July 30 (JTA) -- Police raided the Jerusalem headquarters of the anti-Arab Kach movement Sunday and, in coordinated moves, arrested seven Kach activists involved in the formation of what they call the State of Judah.

Among those arrested was Baruch Marzel, the secretary of the Kach movement and one of the key figures behind Kach's activities in the past few years.

Yekutiel Ben-Yaacov and Tiran Polack were detained in the West Bank settlement of Kiryat Arba. Michael Ben-Horin was detained in the settlement of Nov, in the Golan Heights.

Plans to establish a State of Judah in the West Bank were launched by the Kach movement about a year ago as a protest against the "failure of the authorities to put an end to the intifada."

SPLITS IN UPRISING LEADERSHIP EMERGE OVER RETURN TO SCHOOLS IN WEST BANK

By Gil Sedan

JERUSALEM, July 30 (JTA) -- A general strike Sunday in the administered territories drew attention to rifts within the unified command of the Palestinian uprising, which is affiliated with the Palestine Liberation Organization, and also between the PLO and the Islamic fundamentalist movement Hamas.

Schisms were revealed in different instructions the groups gave to students about attending school during the strike. Hamas urged the students to return to school despite the strike, while much of the PLO leadership told the students to remain at home.

The students appear to have been confused by the different instructions.

Hamas wanted to observe an agreement that school attendance would continue despite other strike activities. Various Palestinian factions reached that understanding when Israeli authorities permitted the schools to reopen July 20.

But PLO supporters believe the continuation of studies could create a normalization that would undermine the uprising.

In the end, most schools in the West Bank remained open Sunday, and many students attended classes. But there were tensions that caused numbers of students to return home.

In the village of Beit Ummar, near Hebron, for instance, students showed up for classes but were frightened away by masked youths who came to the schools to intimidate them.

In some refugee camps, such as the Dehaishe camp near Bethlehem, students just stayed home.

Peaceniks Try To Visit Village

In other places, such as the Jenin area of the West Bank, north of Nablus, the PLO's Al Fatah faction joined the Islamic fundamentalists in urging the students to return to school.

The more radical Popular Front for the Liberation of Palestine warned the students to stay home.

The schools have largely been closed for more than a year, on the grounds that they served as bases for violent demonstrations. The schools were opened after Israel reached a tacit agreement with PLO and Hamas leaders that they would remain off-limits to the uprising.

But the question of studies on strike days was left unresolved, as was evident Sunday.

The division was played out, moreover, against a backdrop of opposing Israeli positions, as a group of Jewish peace activists visited a Palestinian village in a show of solidarity.

When a large group of left-wing Israelis visited the West Bank village of Nahalin on Saturday, Israeli soldiers immediately demanded they leave.

The Israelis included Arab Knesset members Abd-el Wahab Darousha and Mohammed Miari, as well as activists Latif Dori of Mapam and Professor Shlomo Elbaz of the Hebrew University.

The army's presence triggered local violence. Arab youths set up roadblocks to prevent the soldiers from entering the village.

After the Israeli visitors left, the soldiers returned and clashed with the Palestinian youths.

Nahalin was the site of a bloody clash between Israeli border police and local youths several months ago. In that confrontation, five Palestinians and one soldier were killed.

**MASS RALLY HELD IN BOSTON AREA
TO DECRY ANTI-SEMITIC VANDALISM**

By Susan Birnbaum

NEW YORK, July 30 (JTA) -- More than 1,000 persons attended a rally against anti-Semitism Sunday afternoon in Marblehead, Mass., where a synagogue and Jewish community center were defaced last week with anti-Semitic graffiti.

Joining in the two-hour rally were Jews and non-Jews, blacks and whites, community leaders, the school superintendent, area clergy and the highest echelons of the local police department.

The rally included a march of about a quarter mile from the North Shore Jewish Community Center to Temple Emanuel, which were defaced on the night of July 24. Participants removed offensive phrases and swastikas from both sites.

Marblehead Police Chief John Palmer, who spoke briefly at the rally, asserted that the police are committed to apprehending the perpetrators. "I can only pray that this will not happen again," he said.

Leonard Zakim, director of the New England office of the Anti-Defamation League of B'nai B'rith, called the desecration of the two buildings "part of a disturbing trend of increased anti-Semitic activity" in the area.

Cheryl Cutler, ADL assistant regional director, said anti-Semitic incidents in Massachusetts this year had already surpassed last year's number, which in turn was a 34 percent increase over that of 1987.

Hate Mail And Phone Calls

Zakim reported that residents of the Boston suburb of Brookline recently have received hate mail and phone calls that included profanities and threats.

"Only five years from now, every Jew in America will tremble, shake and quake," read one letter. "Everyone has had one. Every Jew will be destroyed, exterminated (sic) and killed!"

It was signed "Skin Heads" with a swastika.

Skinheads are youths who shave their heads and dress with Nazi regalia. Many, though not all, endorse racism through violent attacks.

The Skinhead movement is said to be minimal in eastern Massachusetts, concentrated mainly in Allston and Cambridge, with an estimated 20 to 50 members.

In Marblehead, the graffiti pertained to Nazi-era atrocities. There were references to the Bergen-Belsen concentration camp and to Josef Mengele, known as "the Angel of Death," who conducted experiments on inmates at Auschwitz.

North Shore Community Center program director Bea Paul said many members of the center are Holocaust survivors or their children. "This has conjured up painful memories and fear," she was quoted as saying.

One concentration camp survivor, Sonia Weitz, said at Sunday's rally she thought "it would be a good idea" if the perpetrators visited Auschwitz, to see it with their own eyes.

Zakim announced the ADL was offering a \$1,000 reward for information leading to the arrest of the perpetrators. He called support from Jews and non-Jews "heartening."

The synagogue and local clergy also offered a \$1,000 reward Sunday.

"This is not just a Jewish problem. It's a problem for everyone," said Cutler.

(Steven Rosenberg of the Jewish Advocate in Boston contributed to this report.)

**HERZOG SPEAKS OF 'ONGOING STRUGGLE'
IN FIRST OF BROADCASTS TO NATION**

By Hugh Orgel

TEL AVIV, July 30 (JTA) -- President Chaim Herzog on Friday initiated a new series of monthly "fireside chats," which he plans to broadcast on Israel Radio. He is the first Israeli president to do so.

Herzog, an experienced radio commentator, opened his first broadcast in the series by referring to the "ongoing struggle of our right in our land, a continuing struggle which takes its toll every day."

He spoke of the recent seizure of an Egged bus and the resultant deaths and injuries of civilians as another instance of "mad and indiscriminate terrorism."

"We have not learned, nor shall we ever learn, to accept with indifference this loss of human lives and bereavements, though these will not deter us from continuing to march on our course," he said.

During the Yom Kippur War in 1973, Herzog spoke almost nightly as a military commentator, discussing frankly the problems and achievements of the Israel Defense Force. His broadcasts did much to raise morale during those days.

In Friday's program, Herzog reviewed highlights of recent months, recalling in particular his state visit to Canada.

"I was afforded a golden opportunity to introduce a dimension of balance to the distorted picture which is portrayed throughout the world," he said.

He also spoke of the recently concluded 13th Maccabiah, highlighted by the appearance of a delegation from Soviet Lithuania, and of the Israeli delegation that flew to the Soviet Union to aid victims of a railway disaster.

Herzog sought to maintain an upbeat view of the current period of financial difficulties and high unemployment. Israeli scientific advances and "a healthy infrastructure," said Herzog, "will get us out of the straits."

He waxed eloquent on visits he had made to Moslem villages in Israel and the warm reception he received there.

"There is no need to elaborate on the significance of such meetings during days as difficult as these," he said.

Herzog lamented the fact that the huge foreign press corps had not covered that event. He bewailed the fact that "none of them saw it necessary to present this side of the relationship between Jews and Arabs in Israel."

NEW CANDIDATE FOR ENVOY TO U.S.

By Hugh Orgel

TEL AVIV, July 30 (JTA) -- Yossi Ben-Aharon is Prime Minister Yitzhak Shamir's latest choice to succeed Moshe Arad as Israeli ambassador to Washington, Ha'aretz reported Friday.

But Foreign Minister Moshe Arens is said to be unenthusiastic about appointing Ben-Aharon, who currently serves as director general of the Prime Minister's Office.

Moreover, aides to Vice Premier Shimon Peres, who has veto power over top ambassadorial appointments, say he is opposed to having Ben-Aharon serve in the high-profile post.

Peres vetoed Shamir's previous choice for the position, Ehud Olmert, a Likud minister without portfolio in the Cabinet.