

**BUSH EXPRESSES OUTRAGE AT REPORTS THAT U.S. MARINE HAS BEEN HANGED**

By David Friedman

WASHINGTON, July 31 (JTA) -- President Bush cut short a two-day speaking trip Monday to return to the White House for consultations with national security advisers on a U.S. response to the reported murder of an American Marine by a pro-Iranian terrorist group holding him hostage in southern Lebanon.

"Whether the report is true or not, I know I speak for all here when I try to express to the American people the sense of outrage that we all feel about this kind of brutality, this uncalled for terrorism," Bush said in a speech to the National Governors Association in Chicago.

Although the president canceled his next stop, Las Vegas, to return to Washington, the Bush administration was cautious on whether it believed the claim made Monday by a group called the Organization of the Oppressed on Earth, that it had hanged Marine Lt. Col. William Higgins.

But privately, State Department officials said there was good reason to believe that the hanging body depicted in a videotape sent to a news agency in Beirut was indeed that of the 44-year-old Higgins, who headed the United Nations Truce Supervision Organization in Lebanon before he was kidnapped in February 1988.

The Organization of the Oppressed on Earth, believed to be a front group for the Islamic fundamentalist Hezbollah, or Party of God, had announced Sunday that it would hang Higgins if Israel did not release its leader, Sheik Abdul Karim Obeid.

According to reports from Beirut, the group threatened Monday evening to hang additional American hostages if Obeid is not released from Israeli custody.

**Dole Criticizes Israel**

Israeli commandos seized Obeid and two associates early Friday at his home in southern Lebanon and took them to Israel to be interrogated about Obeid's leadership of terrorist activities against Israel.

Asked to comment on the situation Monday, State Department deputy spokesman Richard Boucher would only repeat Secretary of State James Baker's statement the day before in Paris, that the threat to kill Higgins was "outrageous and uncivilized."

He also reiterated the U.S. position that it holds "those responsible for taking hostages wholly responsible for their safety."

Boucher would not comment on whether the United States believes Israel was partially responsible for the alleged hanging by virtue of the fact that it had abducted Obeid.

But Bush indirectly criticized Israel, although not by name, at a news conference Friday. "I don't think that kidnapping and violence helps the cause of peace," the president said.

On Capitol Hill, sentiment against the Hezbollah ran predictably strong Monday.

U.S. Rep. Gary Ackerman (D-N.Y.) urged that Obeid be extradited from Israel to the United States, to be prosecuted for his personal involvement in the kidnapping of Higgins last year. His

suggestion was praised by the Simon Wiesenthal Center in Los Angeles.

But Senate Minority Leader Robert Dole (R-Kan.) said on the Senate floor that Israel's abduction of Obeid was irresponsible.

"When it endangers the lives of Americans in some foreign country, perhaps a little more restraint on the part of the Israelis one of these days would be refreshing," he was quoted as saying.

Abraham Foxman, national director of the Anti-Defamation League of B'nai B'rith, criticized Dole's statement Monday afternoon.

"We are shocked at Sen. Robert Dole's outburst against Israel this morning," Foxman said. "He failed to place the blame where it truly belongs: with Iran and the Hezbollah terrorists."

**ISRAEL WAS PREPARED TO SWAP SHIITE PRISONERS FOR HOSTAGES**  
By Hugh Orgel

TEL AVIV, July 31 (JTA) -- Shortly before a pro-Iranian group announced Monday that it had hanged U.S. Marine Lt. Col. William Higgins, Defense Minister Yitzhak Rabin expressed Israel's willingness to exchange Shiite prisoners in Israel for hostages in Lebanon.

Rabin said Israel would consider releasing all Shiite prisoners and detainees, including Sheikh Abdel Karim Obeid, in exchange for all hostages held by Shiite groups in Lebanon, including Higgins.

Three Israeli soldiers are known to be held hostage in Lebanon and four others are missing. There are also 21 citizens of other countries missing, 17 of whom are known to be held by Shiites.

Rabin stressed that the exchange offer was made on Israel's own initiative, without outside pressure. He said the exchange could take place through the International Committee of the Red Cross, which has facilitated previous prisoner swaps.

The defense minister said that such an exchange was one of two methods that could be used by Israel and other countries to effect the return of their hostages.

**No Proof Video Is Authentic**

Rabin said he would prefer a rescue operation similar to the one Israel successfully pulled off in July 1976 at Entebbe Airport in Uganda. But he said that option would endanger the lives of Israelis and other nationals being held hostage, and for this reason, Israel was prepared for prisoner exchange negotiations.

Foreign Minister Moshe Arens said Monday that Israel had decided on the capture of Obeid Friday in full knowledge of the risks involved.

He described the Shiite Hezbollah organization as "fanatics and well-known liars," indicating his belief that the Marine colonel had been killed by his captors some time ago.

Radio stations in Lebanon also expressed doubts that Higgins had been hanged Monday morning, as announced by his captors, the Organization of the Oppressed on Earth.

By Monday evening here, there was no confirmation of the announcement that Higgins

was hanged or whether a videotape said to show him dead was authentic.

The tape, sent to a news agency in Lebanon and then distributed worldwide, showed a man hanging by a rope from a ceiling, with his legs bound and a cloth covering his mouth.

It was impossible to establish whether the body was indeed that of the Marine colonel or when the poor-quality tape had been made.

Sources in the United Nations Interim Forces in Lebanon said the recording was not proof that Higgins was killed Monday, especially in view of unconfirmed reports that he had been killed while trying to escape a year ago.

They suggested that if the body was not handed over to UNIFIL within a day or so, this could be proof that he had been killed earlier.

The UNIFIL spokesman at Nakoura in southern Lebanon said there was considerable nervousness among U.N. peacekeeping forces, with whom Higgins had been serving when kidnapped 18 months ago.

### SECURITY COUNCIL CONDEMNS "ALL ACTS OF HOSTAGE-TAKING"

By Allison Kaplan

UNITED NATIONS, July 31 (JTA) -- The U.N. Security Council unanimously passed a resolution Monday "condemning unequivocally all acts of hostage-taking and abduction."

The resolution "demands the immediate and safe release of all hostages and abducted persons" and urges all nations to use their political influence to expedite the release of hostages.

The Security Council voted 15-0 to approve the resolution, which was co-sponsored by Finland and Canada.

The move came as aides to U.N. Secretary-General Javier Perez de Cuellar issued a statement expressing his "outrage and revulsion" at the announcement by an Islamic fundamentalist group in Lebanon that it had hanged U.S. Lt. Col. William Higgins.

Higgins headed the United Nations Truce Supervision Organization in Lebanon before he was kidnapped in February 1988 by the Organization of the Oppressed on Earth. The group is believed to be affiliated with the fundamentalist Hezbollah, or Party of God.

The group said it had killed Higgins in retaliation for Israel's capture of its leader, Sheikh Abdel Karim Obeid.

Officials here maintained the timing of the Security Council resolution on hostage-taking was unrelated to either the Israeli capture of Obeid or the reported hanging of Higgins.

### Israeli Operation Criticized

A Canadian spokesman said the resolution had been composed by the two countries several months ago, introduced to the Security Council members on June 22 and scheduled for a Security Council vote this week, long before the Israeli operation.

Both the content of the resolution and its adoption Monday were "in no way influenced by recent events," the spokesman said.

"There is a most tragic irony that our efforts to adopt a text on this matter should have coincided with the grave events of recent days," Security Council President Dragoslav Pejcic of Yugoslavia said during the morning meeting.

In his statement, Perez de Cuellar said he hoped reports of Higgins' death were false.

"If the reports can, however, be confirmed," the statement said, "the secretary-general can only express his outrage and revulsion at the fact that an innocent man serving the United Nations in the cause of peace should be murdered in this fashion."

In earlier statements made over the weekend, Perez de Cuellar urged the release of all hostages in the Middle East. He included a call for the release of Obeid and two other Hezbollah members captured by Israel on Friday.

The secretary-general said the seizure of the Hezbollah members "constitutes a violation of Lebanese sovereignty and can only heighten tension in an already volatile area."

In a separate action Monday afternoon, the Security Council extended the mandate of the United Nations Interim Forces in Lebanon for another six months.

In recommending the renewal of UNIFIL's mandate, Perez de Cuellar cited both stepped-up attempts by "armed elements" in southern Lebanon to infiltrate Israel and increased attacks on Lebanese targets by the Israeli air force.

### ISRAELI COURT RULING ON DEMOLITION OF PALESTINIAN HOMES PRAISED IN U.S.

By David Friedman

WASHINGTON, July 31 (JTA) -- The United States had praise Monday for an Israeli court ruling banning the Israel Defense Force from demolishing the homes of Palestinians involved in violent activities until they have an opportunity to appeal.

Israel's High Court of Justice instructed security forces Sunday to cease the demolition of homes in the administered territories before their owners are given the opportunity to plead their cases in court.

The only exception to this limitation, the court ruled, would be in cases of "urgent operational needs."

"We are pleased to see any action which strengthens due process for Palestinians in the occupied territories," State Department deputy spokesman Richard Boucher said Monday.

In New York, Shalom Comay, president of the American Jewish Committee, welcomed the Israeli court ruling. It "once again demonstrates Israel's fundamental democratic nature, in which the principles of due process and the independence of the judiciary are maintained," he said.

Demolishing the homes of Palestinians suspected of perpetrating security offenses has long been used by the Israeli army as a punitive measure and deterrent.

Since the Palestinian uprising began nearly 20 months ago, the Israeli army has demolished or bulldozed 230 homes in the West Bank and Gaza Strip. Another 102 have been sealed off with bricks and concrete, according to army statistics quoted Monday by The New York Times.

The Association for Civil Rights in Israel challenged this practice in court last year, after the army blew up 14 Palestinian homes in the West Bank village of Beita. The action was a response to the killing of 15-year-old Tirza Porat, who was among a group of Jewish teen-agers to hike through the Arab village on April 6, 1988.

An army investigation later determined that Porat was killed by a bullet accidentally fired from the gun of a Jewish man who escorted the group. As a result, the army agreed to rebuild some of the homes in Beita.

## ISRAELI-PALESTINIAN CONTACTS SPARK DEATH THREAT AND DEMAND FOR OUSTER

By Gil Sedan

JERUSALEM, July 31 (JTA) -- Palestinians and Israelis have come under fire for their meetings with one another, underlining the obstacles that await any future negotiations on a more formal basis.

The Likud Knesset faction announced Monday that it would take legislative steps enabling Prime Minister Yitzhak Shamir to fire Deputy Finance Minister Yossi Beilin for his contacts with supporters of the Palestine Liberation Organization.

In addition to previous contacts with West Bank Palestinian leaders, Beilin organized a meeting Sunday between dovish members of the Labor Party and Palestinian leader Faisal Husseini.

Likud charged that beyond such meetings, Beilin is actually serving as Vice Premier Shimon Peres' envoy to the PLO.

Also on Monday, a Palestinian leader said he would not be intimidated by the death threats he has received from Palestinian radicals who oppose his taking part recently in talks with Shamir.

Graffiti smeared Sunday night on street walls in Ramallah threatened lawyer Jamil Tarifi with death for his contacts with Israeli leaders. One, signed by the Popular Front for the Liberation of Palestine, warned that "the bullet which reached Zafer al-Masri will reach you as well."

Masri was the Israeli-appointed mayor of Nablus who was murdered three years ago by a member of the Abu Nidal terrorist group for cooperating with the Israeli authorities.

Like Masri, Tarifi is being targeted by PLO splinter groups, even though the mainstream PLO leadership has approved his actions.

According to a report Monday in Ma'ariv, Tarifi met with PLO leader Yasir Arafat at the end of last month in Cairo and received his permission to meet with Shamir.

### Husseini Espouses Right Of Return

Although Tarifi said he took part in meetings with Shamir only in a private capacity, he was seen as a well-known supporter of Arafat's Al Fatah faction, who would be unlikely to move without PLO approval.

The Tarifi meeting was debated Monday in a session of the Knesset Foreign Affairs and Defense Committee. Haggai Meirum of Labor asked whether by meeting so identifiable a PLO supporter as Tarifi Shamir had given legitimacy to negotiations with the PLO.

Shamir replied that he was not holding negotiations but "clarifications" during his recent meetings. The prime minister reiterated his opposition to any negotiations with the PLO, because, he said, the purpose of the organization is to establish a Palestinian state.

"Personalities in the territories who regard the establishment of such a state as the final result of the political initiative are no partners for a dialogue with me," he said.

Husseini's call for a Palestinian state during a meeting with Labor's dovish Mashov faction is what angered Likud members.

Husseini told the Labor Knesset members that upon the creation of a Palestinian state, the right of return should be granted to Palestinians living outside the territories.

He left vague whether this would include the right to return to pre-1967 Israel or whether it would be limited to the administered territories.

Husseini urged Israelis and Palestinians to "abandon both dreams and nightmares and push forward the cart of peace."

Justice Minister Dan Meridor was among the Likud officials who reacted with anger, saying Husseini's call for a right of return "proved the real intentions of the PLO."

### WEST BANK PALESTINIAN WORKER STABS HIS JEWISH EMPLOYER

By Cathrine Gerson

JERUSALEM, July 31 (JTA) -- An Arab worker stabbed his Jewish employer in the arm and chest on Monday, but caused only moderate wounds.

Police later arrested a 28-year-old Palestinian suspect who had worked at the factory. His identity was not disclosed, though he was said to be from Bir Zeit, in the West Bank.

The incident, at the Atarot industrial area north of Jerusalem, occurred when the worker walked in to the office of Eliezer Sobol and told him he would not be able to work Tuesday.

When Sobol asked for the reason, the long-time worker took out a knife, stabbed him and escaped from the plant.

Sobol, who lives in the West Bank settlement of Maccabim, suffered moderate wounds in the upper arm muscle and superficial wounds in the chest. He was described in fair condition at Hadassah Hospital on Mount Scopus.

The 39-year-old Sobol expressed shock at the incident. "We've worked together for six or seven years already, and there have never been any tensions," he said.

Elsewhere in the administered territories, two Palestinian youth were shot dead in clashes with Israeli troops. At the Balata refugee camp in Nablus, one youth was shot dead after he allegedly hit a border policeman with a brick. A curfew was imposed on the camp.

At the Bureij refugee camp in the Gaza Strip, the body of 15-year-old Mahmoud Yassin Faraj, who died in a clash with Israeli soldiers, was snatched from a hospital and buried.

### ISRAEL'S ONLY MOSLEM ENVOY ENDING TOUR OF DUTY IN ATLANTA

By Hugh Gelor

TEL AVIV, July 31 (JTA) -- Mohammed Massarwa, Israeli consul general in Atlanta and the only Moslem in the foreign service, is to return home next month after serving two years at his post.

Massarwa caused considerable controversy during his tenure in Atlanta. His outspoken comments last summer on the need for a Palestinian state led to a demand for his recall by Moshe Arens, then a Likud minister without portfolio.

Massarwa, the first Arab head of mission in the foreign service, was recently informed by the Foreign Ministry that his stay had been extended only until September, and that he would be notified of further plans at that time.

But Massarwa, citing family concerns -- schooling for his children at the beginning of the new school year -- replied that in this situation he preferred to end his term of duty altogether.

A member of the Labor Party, Massarwa was appointed to the Atlanta post two years ago by Shimon Peres, who was then foreign minister. Arens, who is the current foreign minister, has not yet named Massarwa's replacement.

**NEW ARGENTINE PRESIDENT PLEDGES 'EXCELLENT RELATIONS' WITH JEWS**

By Susan Birnbaum

NEW YORK, July 31 (JTA) -- Argentina's new president assured the leadership of the World Jewish Congress he would have "excellent relations with the Jewish community," the organization reported Monday.

Carlos Saul Menem, the Peronist leader elected May 14 and installed as president earlier this month, met Monday morning in Buenos Aires with a delegation headed by Edgar Bronfman, the WJC president.

The WJC leaders flew to the Argentine capital Saturday night to meet with Menem and other Latin American leaders, including the newly elected president of Venezuela, Carlos Andres Perez, and representatives of the Jewish communities of Argentina, Brazil and Venezuela.

WJC leaders were particularly interested in meeting with Menem because of the Peronist party's legacy of anti-Semitism.

But Argentine Jews of all political stripes are now optimistic that the new president will have good relations with the Jewish community, Elan Steinberg, WJC's executive director, said in a telephone interview from Sao Paulo.

Menem said he was "determined to have excellent relations with the Jewish community, both within Argentina and abroad, as well as with Israel," Steinberg reported.

He said the president greeted Bronfman with "Shalom" and spoke of the "commonality of the Jewish and Syrian refugee experience."

Menem is the son of Syrian refugees who settled in Argentina. Born a Moslem, he converted to Catholicism, in compliance with an Argentine law requiring the president to be a Catholic.

**Economic Woes Have Spurred Aliyah**

Bronfman was accompanied by Steinberg and Israel Singer, the WJC secretary-general, as well as the president of the Argentine Jewish community, David Goldberg, in the 90-minute meeting with Menem at the Pink House, the presidential palace.

Their meeting with the president was followed by a news conference with the international media. Moreover, Menem had announced twice on prime-time television that he would be meeting with the WJC leaders.

Steinberg called the Argentine leader a "highly charismatic figure who has psychologically energized the country to face the challenges."

Argentina is faced with a devastating rate of inflation that is rising geometrically by 200 percent per month. As a result, aliyah is up considerably, although figures previously reported were exaggerated, Steinberg said.

The matter was discussed at a private meeting with Israeli Ambassador Efraim Tari and in a meeting with the DAIA, Argentine Jewry's representative body.

This past year, Tari said, 4,000 Argentine Jews moved to Israel, compared to 1,200 last year.

The WJC did not discuss Menem's statement last week that he seeks reconciliation with the military. There were three military rebellions last year that stopped just short of a coup.

The Jewish community fared very badly during the "Dirty War" of the late 1970s, when a military junta ruled and abducted people variously suspected of leftist leanings. Many Jews, particularly young people, were never seen again.

**NUNS SHOULD ALREADY HAVE VACATED AUSCHWITZ CONVENT, SAYS CARDINAL**

By Edwin Eytan

PARIS, July 31 (JTA) -- The cardinal of Lyon, who headed the Catholic delegation that negotiated the agreement on vacating the Auschwitz convent, said Monday he agreed with the Jewish community that the nuns "should have left by now."

Cardinal Albert Decourtray, who took part in the Geneva accord of Feb. 22, 1987, said in a radio interview Monday, "My interpretation of the agreements is the same as that of the Jewish community: The nuns should have left by now."

Decourtray, who is considered France's leading Catholic prelate, said, "One should understand the sentiments of the Jewish community. Auschwitz is a powerful symbol for them, and any further delay in the departure of the nuns is simply unbearable."

The cardinal said that in spite of the "freeze" on Catholic-Jewish relations decreed last week by French Jewish leader Theo Klein, "personal relations between Jews and Catholics will continue. I, on my side, will do whatever I can to try to see that the agreement is implemented at the earliest."

**SOVIETS SEEKING TRADE WITH ISRAEL ESTIMATED TO BE WORTH MILLIONS**

By Hugh Orgel

TEL AVIV, July 31 (JTA) -- In what appears to be just the beginning of a huge trade market between the Soviet Union and Israel, a high-level Soviet trade delegation recently arrived in Israel to purchase hundreds of millions of dollars' worth of food, including fresh vegetables, meat, cheese and canned goods.

According to a report in Al Hamishmar on Monday, the Soviets are prepared to sign long-term contracts.

Sources say that if Israeli suppliers fulfill the contracts, it will be possible to increase agricultural exports, which would benefit the Israeli food industry tremendously.

The agriculture deals would involve barter, with the Soviets exchanging oil, diamonds, gold and chemicals for food. The talks are being handled by the Agriculture Ministry.

Israel already has sold the Soviet Union "several million dollars" of goods this year, the Jerusalem Post reported Monday, quoting an Israeli businessman who trades with Eastern bloc nations.

Yossi Priel, the head of Idam Communications, a marketing consultant firm, told the Post that about 20 Israeli companies have either finalized deals or are negotiating contracts to sell their goods -- mostly electronics and agricultural -- in the Soviet Union through his firm.

The sales are arranged through European intermediaries.

In Moscow last week, senior Soviet officials told Arye Levin, Israel's senior consular representative in the Soviet Union, that their country was interested in importing Israeli fruits and vegetables and in acquiring Israeli agricultural know-how.

Ha'aretz, meanwhile, reported Monday that the number of Soviet travelers who visit Israel via Cyprus has reached an all-time high, and that demand is so great that return flights to the USSR won't be available until mid-September.