

NEWS AT A GLANCE

■ The strong showing of the Communists and right-wing nationalists in Russia's parliamentary elections provided a jolt to the country's Jews. Jewish activists expressed concern over the uncertainty of what lies ahead.

■ The Israeli commission investigating the Rabin assassination warned the head of Israel's domestic intelligence service and six other senior security officials that they could be held responsible for the security lapses that led to the assassination. [Page 4]

■ Austria's Jewish community breathed a sigh of relief at the slight decline in popularity of Jorg Haider's far-right Freedom Party in Sunday's elections. Haider won 22 percent of the vote, while Chancellor Franz Vranitzky's Social Democrats won 38 percent.

■ The European Parliament called on the countries of Central and Eastern Europe to restore to their rightful owners all properties seized by the Nazis during World War II and by Communist regimes in the postwar years. The European Commission, meanwhile, issued its first-ever communique on racism, xenophobia and anti-Semitism. [Page 3]

■ Prime Minister Shimon Peres unveiled a 10-point plan to serve as the framework for the renewed negotiations between Israel and Syria, which are scheduled to begin next week. [Page 2]

■ Israel revealed that three men are in prison in Ashkelon for spying for Syria. [Page 4]

■ Two officials of the American Jewish Committee visited Kuwait, in what is believed to be the first mission there by an American Jewish organization. The delegation met with Kuwait's foreign minister, who confirmed his government's support for the Middle East peace process.

■ Representatives of the Palestinian Authority and Hamas met in Cairo for what is believed to be their first official reconciliation talks since Yasser Arafat made peace with Israel in 1993. [Page 2]

BEHIND THE HEADLINES**Despite jubilation, Arafat faces many obstacles ahead**

By Gil Sedan

NABLUS, West Bank (JTA) — Near the Brothers Muna bakery in downtown Nablus, three children are playing cops and robbers.

"I will be the cop, you the robber," says one.

"Which cop, Israeli or one of ours?" says his friend, sounding a bit confused.

He is not alone. It is a time of a major change — and confusion — in the West Bank. Old realities have died and the new one is not yet clear.

Palestine Liberation Organization leader Yasser Arafat stood last week on top of the former Israeli military government building in Nablus, trying to lead the way to the Promised Land.

"After 'Gaza First' came Jenin, Tulkarm, Nablus, Kalkilya, and now Bethlehem, Ramallah, Hebron and eventually, our sacred Jerusalem," he said.

The masses who gathered by the building roared with enthusiasm.

It was yet another climax in Arafat's new career as peacemaker.

But the triumphant performance of Arafat and his people in Nablus, Kalkilya and Bethlehem during the past week belies the internal and external difficulties confronting the Palestinian community.

The major internal difficulty is the potential for local violence. The external difficulty lies with the uncertain role of Jewish settlers on in the West Bank.

During his Dec. 11 visit to Nablus, Arafat had reason to be pleased. After the labor pains that have accompanied autonomy, his political stock is on the rise. As demonstrated by the warm embrace of cheering Palestinians, Arafat has become the symbol of Palestinian nationalism.

Public opinion polls show a sure win for him in next month's elections for the Palestinian governing bodies.

The Palestinian people adore him with the same uncompromising enthusiasm with which they have hated the Israelis.

Real potential for violence

They have chanted with him "in spirit and in blood we shall redeem Palestine," with the same vigor that they had burned the Israeli flag as Israeli troops were leaving Nablus two days earlier.

"The burning, the petrol bombs, these were all expressions of our determination that time has come for an independent Palestinian state," said one bystander.

"It was so difficult to live under the Israelis," said his friend. "Finally, it is all over, behind us."

But what is next for the Palestinians as they proceed with their limited form of self-government?

The potential for local violence is very real.

In the past, it was aimed at the Israel Defense Force and its Palestinian collaborators. Now the enemy has left, but the gangs — and the arms — remain.

Even beneath the festivities here last week, the opposition was evident.

Slogans sprayed on the walls of Nablus read: "The security of the people is more important than fax machines," an expression of displeasure with the Palestinian Authority bureaucracy, which was characterized in the past by its directives sent via fax from Tunis, site of the former PLO headquarters, to the territories.

The slogans were signed: "The revolution."

Until a few weeks ago, the symbol of the revolution in Nablus and its vicinity were the Fatah Hawks, and their leader Ahmed Tabouk.

The Fatah Hawks used to be a military unit, part of Arafat's Fatah movement, the main bloc inside the PLO.

Tabouk and his men took it upon themselves to restore "order" by shooting the knees of collaborators with Israel and simple criminals.

Earlier this month, rumors spread that Tabouk was shot dead inside the Nablus Casbah by someone he had come to punish. But the rumors were premature: Tabouk showed up the next day marching through the narrow

alleys of Nablus fully armed, more confident than ever. In a series of interviews, he expressed full support for Arafat, and for the idea of a Palestinian state "side by side" with Israel.

But Arafat was not buying it.

The first large-scale operation of the Palestinian police in Nablus was to round up dozens of Fatah Hawks in a sweeping operation Sunday. The sweep was a clear sign that there was no room for private militias once the Palestinian police were in place.

After a 10-hour standoff in the city's market, during which two Fatah Hawks were wounded, Tabouk surrendered to the Palestinian police.

The PLO reportedly wants to try him on charges of rebelling against its leadership.

The operation was reminiscent of the decision of David Ben-Gurion at the time of the establishment of the state to disarm all the military groups that had existed prior to the state, including the much-beloved Palmach commando units.

The problem for Arafat, however, is that there are many Tabouks in the West Bank.

They have been particularly active in the past two weeks, throwing hand grenades at IDF soldiers in Nablus, shooting at an Israeli car in the Etzion bloc and shooting at IDF patrols and Jewish sites in Hebron.

Iron-fist policy

Arafat has to control them all, if he wants to control the Palestinians.

His success in coping with Hamas, the Islamic fundamentalist movement, may be the reason behind the iron fist exercised this week against the Fatah Hawks.

Dozens of Hamas activists have deserted their ranks and joined Arafat in the past year. The latest such defection was that of Sheik Imad Faluji, who recently quit his position as editor of *Al-Wattan*, the Hamas newspaper.

At the same time, Bader Yassin, the brother of Sheik Ahmed Yassin, the spiritual leader of Hamas who is serving a sentence in an Israeli jail, was appointed director general of the Palestinian Transportation Ministry.

Hamas, no longer playing the role of the outsider, launched political talks with Arafat on Monday in Cairo.

The Palestinian Authority is apparently hoping to convince Hamas, which has rejected the accords with Israel, to end its war against the Jewish state and to take part in the first Palestinian elections Jan. 20.

On the external front, the role of the Jewish settlers is much less clear.

As Israeli troops hastily left Nablus last week, Eli Rosenfeld, the director of Yeshivat Yosef in Nablus, declared that the continued operation of the yeshiva was a matter of "materializing our legitimate rights."

But for the Palestinians, a continued Jewish presence in Nablus and other West Bank cities such as Hebron is grounds for a potential confrontation.

Palestinian leaders have often expressed concern that the settlers would deliberately provoke trouble in the autonomous West Bank towns to prove their point that Israel has lost out in the deal.

Those leaders often fail to mention, however, the potential — and sometimes bloody — provocations by Palestinian opponents to the peace process.

But beyond the external and internal difficulties, the main challenge to the Palestinian self-rule comes from within its own ranks.

Does it have the necessary clout to run the autonomy?

Does it have the means to prevent a repetition of the Israeli flag-burning in Nablus, which angered so many Israelis?

As Israeli Internal Security Minister Moshe Shahal declared over the weekend: "Israel will not make concessions to the Palestinian side. They must prove that they are worthy of the powers given to them."

And Zuheir a-Dabai, a journalist and well-known PLO activist, warned that the problems facing the new Palestinian entity are great.

"We imitate only Israeli might, not their brain," he said.

"Measuring strength is not by the rifle or by your military might, but your ability to build for the sake of your community."

A-Dabai said the Palestinians were missing those basic elements that had served the Zionist movement to build the infrastructure of the state: public institutions, money and an educational orientation. "We need a deep change in our mentality, culture and customs," he said, "and this takes a very long time." □

Peres unveils 10-point plan for new approach to Syria talks

By Naomi Segal

JERUSALEM (JTA) — Prime Minister Shimon Peres has unveiled a 10-point plan that will serve as the framework for the renewed negotiations between Israel and Syria which are scheduled to begin next week.

Peres also denied reports that he had submitted any documents or maps — which outlined the scope of an Israeli withdrawal from the Golan Heights — to the Syrians or Americans.

At a meeting of the Labor Party caucus Monday, Peres outlined the 10-point plan as follows:

- No preconditions will be set by either side.
- The aims of the talks, and not their manner, are important. Peres said he would have preferred to have renewed the talks with a summit between himself and Syrian President Hafez Assad, but it was not essential.
- The content of the negotiations would influence their length and results.
- A differentiation was drawn between issues that are points of contention and those that require resolution. Peres said the border was a point of contention, while security arrangements and water issues required resolution.
- Negotiations are to be conducted on all subjects.
- A peace accord between Syria and Israel would be an opportunity to end war in the region.
- Ways should be sought to turn the Golan Heights into a center for economic cooperation, and not military buildup.
- The United States would be called on to play a central role.
- Quiet on Israel's border with Lebanon is a goal.
- Negotiations will be less formal and more practical.

Under a new framework for the talks, the negotiating teams for the two sides will address a broad number of issues simultaneously, rather than focus first on security arrangements, which the late Prime Minister Yitzhak Rabin had stressed.

Peres told a meeting of the Knesset Foreign Affairs and Defense Committee on Monday that he had shifted the approach, but not the positions, adopted by Rabin.

Peres was quoted as saying that he had spoken to Rabin about the need to open up the talks, if the impasse was to be overcome.

"The security talks had run aground," Peres was quoted as saying. "I did not hide my opinion from Rabin that we ought to try a different direction."

The talks are scheduled to begin Dec. 27 at a site near Washington. □

U.S. plans to impose sanctions on foreign firms investing in Iran

By Daniel Kurtzman

WASHINGTON (JTA) — In an effort to impede Iran's attempted nuclear buildup, leading members of Congress, with the support of the Clinton administration, have been seeking to send a blunt message to the international business community: Choose between trade with the United States or Iran.

As Iran attempts to attract \$7 billion in foreign investment to bolster its declining oil industry, the administration and Congress are working together to impose sanctions against foreign firms with substantial investments in Iran's energy sector.

"A straight line links Iran's oil income and its ability to sponsor terrorism, build weapons of mass destruction and acquire sophisticated armaments," Peter Tarnoff, undersecretary of state for political affairs, recently testified before the Senate Banking Committee.

"Any government or private company that helps Iran to expand its oil [sector] must accept that it is indirectly contributing to this menace," he said.

Iran has desperately sought foreign capital to bail out its economy and to finance its nuclear program.

Tehran hopes that foreign investment can make up for what the international community has denied in the areas of trade and credit.

Earlier this year, when the American firm Conoco entered into a contract to develop an Iranian oil field, the Clinton administration issued an executive order banning such deals.

A French company, Total SA, then picked up the project.

Now, to discourage foreign companies such as Total from indirectly subsidizing Iran's nuclear development, the administration and Congress are seeking to cut off Iran's access to foreign capital.

Last week, the Senate Banking Committee unanimously approved sanctions against any foreign company that has made an investment totaling \$40 million or more that "contributes significantly and materially" to Iran's energy sector.

'Horrendous human rights abuses'

The measure, which has strong bipartisan support, could pass the full Senate within weeks.

In the House, Rep. Benjamin Gilman (R-N.Y.), chairman of the International Relations Committee, introduced a similar bill that now has 51 co-sponsors.

Under the Senate bill, sponsored by Sen. Alfonse D'Amato (R-N.Y.), sanctioned firms could be denied access to financing sponsored by the Export-Import Bank of the United States or to licenses for exports to the United States.

The president could also prohibit mergers, acquisitions or takeovers involving U.S. companies that might provide Iran with cash, as well as limit funding from American banks to sanctioned firms, according to the measure.

"If we are going to persuade the Iranian regime that its efforts to achieve nuclear status, its support for international terrorism and its horrendous human rights abuses" should all end, "we must end the funding with which they are paying for it all," D'Amato said in introducing the legislation before the banking committee, which he heads.

Initially reluctant to approve broad sanctions, the White House agreed to support the Senate bill when D'Amato toned down an earlier call for a "trade embargo" against the companies.

But some members of Congress, particularly in the House, appear intent on restoring broader sanctions.

The prospect of sanctions does not sit well with some of America's closest allies, including Great Britain, France and Germany. They see the legislation as unwarranted interference in the activities of foreign companies.

Moreover, some experts warn that sanctions could prompt European retaliation in the form of a trade war.

Winning approval of the sanctions has been a major lobbying focus for the American Israel Public Affairs Committee, which views Iranian nuclear armament as no less than the most dangerous security threat on Israel's horizon.

Indeed, Iran's nuclear potential remained an issue of great concern to Israeli Prime Minister Yitzhak Rabin toward the end of his life.

It would be tragic, Rabin had said, if a nuclear Iran emerged just as the prospect of a lasting peace became possible between Israel and its Arab neighbors.

Prime Minister Shimon Peres and President Clinton discussed the issue of sanctions in Washington last week, agreeing to strengthen strategic cooperation against Iran.

Speaking at a gathering of Jewish leaders on Capitol Hill, Peres warned of the dangers of a "very strong and powerful and menacing fundamentalistic movement run and organized by Iran," which "may get a hold of nuclear weapons."

"God forbid, imagine that Hitler would have a nuclear bomb," Peres said. "I don't want to compare anything, but nuclear weapons in evil hands are a menace for us as Jews, and for free people all over the world." □

European Parliament backs property restitution efforts

By Joseph Kopel

BRUSSELS (JTA) — The European Parliament has called Central and Eastern European countries to restore to their rightful owners all properties seized by the Nazis during World War II and by Communist regimes in the postwar years.

The resolution adopted last week by the legislative body of the European Union came only days after the European Commission, the union's executive arm, issued its first-ever communique on racism, xenophobia and anti-Semitism, calling for a Europe-wide united front against racial hatred.

The European Parliament's resolution, adopted Dec. 14 in a vote of 87-67 with three abstentions, is an appeal to the European governments to act quickly on the restitution issue.

The appeal may have added weight with those governments because they are eager to join the European Union, said sources with the European Parliament.

At a conference in September sponsored by the World Jewish Congress at the European Parliament's headquarters in Brussels, WJC President Edgar Bronfman urged the European Union to follow the lead of the United States and support the WJC campaign to recover Jewish property in Eastern and Central Europe.

Along with Jewish property rights, the parliamentary resolution addressed the rights of churches, many of which are on property that was seized by Communist authorities.

The communique said the "right to equal treatment and freedom from discrimination is one of the core principles inspiring" all E.U. "policies, and the rise of racist and xenophobic attitudes clearly runs counter to this." The communique was accompanied by a proposal to the E.U. Council of Ministers to designate 1997 as the "European Year Against Racism." □

Assassination inquiry may lead to dismissal of Shin Bet officials*By Naomi Segal*

JERUSALEM (JTA) — The head of Israel's domestic intelligence service and six other senior security officials were warned this week that they may be held responsible for the security lapses that led to the assassination of Israeli Prime Minister Yitzhak Rabin.

The seven received the warnings in letters sent Monday by the Shamgar commission of inquiry, the government-appointed three-member panel investigating the assassination.

In the past, officials who received letters of warning from a commission of inquiry were ultimately held responsible, said Moshe Negbi, Israel Radio's legal commentator.

The Shamgar commission has the authority to recommend that the officials be fired and prevented from being given senior posts in the future.

The letters were sent a day before the opening of the trial of Yigal Amir, the 25-year-old law student who confessed to shooting Rabin after a Nov. 4 peace rally in Tel Aviv.

The head of the intelligence service — known as the General Security Service or Shin Bet — was warned that he could be held responsible if the commission found that he had failed to make sure his agency was prepared to deal with an attempt by Jewish extremists to assassinate the prime minister, in light of information the service had obtained, Israel Radio reported.

The other Shin Bet officials who received letters include the head of the protection unit, the head of the VIP protection unit, the head of the VIP protection unit's operation section and the head of the Jewish affairs division.

Each letter referred to the specific security issues — such as gathering information about possible assassination plots and ensuring that unauthorized persons were not allowed in the area where Rabin's car was parked — for which each official might be held responsible.

Intelligence officials are not identified by name.

Ya'acov Shoal, a senior Tel Aviv police official, also received a letter of warning.

Only known footage

The commission's deliberations were suspended until Dec. 31, so that the seven officials could "prepare for the continuation" of the deliberations, a Justice Ministry official said.

They would be allowed to appear before the commission with an attorney, and have the right to cross-examine witnesses, Negbi said.

Prime Minister Shimon Peres, after the letters were issued, told the head of the Shin Bet that he has "an important position, and it is your duty to continue to carry it out," according to a statement from the Prime Minister's Office.

Peres added that he would assist the Shin Bet head in every way possible so that he could continue to carry out his mission properly.

Meanwhile, speaking to reporters in the Knesset, Peres said he would respect any recommendations made by the commission.

Also Monday, the Channel 2 commercial television station announced that it had bought the rights to a videotape filmed by an amateur photographer at the Nov. 4 rally.

The tape is believed to contain the only known footage of the assassination.

Israeli journalists who have already seen the tape

described it as "shocking." Although sometimes shaky and out of focus, the relevant eight-minute segment shows Amir standing behind a plant in a parking lot below the terrace where the rally took place, and then walking up to Rabin and shooting him.

Channel 2 joined with the Israeli daily Yediot Achronot to purchase the rights to the tape for a reported \$390,000.

The sale followed intensive negotiations between news organizations and lawyers representing the photographer, whose identity has been kept secret.

Shalom Kital, news director at Channel 2, confirmed the joint purchase and described the tape as a "matter of very great public and media worth," Israel Radio reported.

He said the tape would be broadcast on a special program, most likely this week, that could also include an interview with the photographer.

Israel Television dropped out of the bidding, saying that the sum was too high.

Yair Stern, director of Israel Television, told Israel Radio that the state-run station would have had to use revenues from the television tax to make the purchase.

Not everyone at Channel 2 was pleased with the way the negotiations were handled.

Board member Danny Bloch told Israel Radio that given the subject, he would have preferred that Channel 2 take up a proposal from Israel Television to share the broadcast rights and control the bidding price.

Members of the Rabin family also were not pleased. Rabin's daughter, Dalia Philosof, said viewing the video would be difficult for the family.

Leah Rabin, speaking to reporters at a ceremony naming a Tel Aviv high school after her slain husband, said she had "no desire, capability or interest" in watching the video. □

Israel releases details on spies*By Naomi Segal*

JERUSALEM (JTA) — Israel has made it public that three men are jailed in Ashkelon for spying for Syria.

In a closed-door session, the High Court of Justice heard arguments Monday protesting the severity of their sentences.

Those arguments were later rejected.

The men were arrested 2 1/2 years ago and secretly tried, Israel Radio reported.

Two of the men were identified as Tawfik Haider and Kassem Muhammed Farez, both Syrians.

The name and nationality of the third man was not released.

Haider was sentenced to six years in prison, Farez to 5 1/2 and the third man to eight. □

Pesticide industry may metamorphose*By Naomi Segal*

JERUSALEM (JTA) — An organic pesticide has been developed by a Galilee farming community as a possible replacement for the environmentally harmful methyl bromide.

Commercial marketing of the fungus-based product, which was developed on Moshav Alon, recently got under way, Israel Radio reported.

Earlier this month, Israel joined an international effort to phase out by 2001 its production and use of methyl bromide, which damages the ozone layer.

Israel, whose production of methyl bromide was a \$60 million export business, is one of the world's leading manufacturers of the chemical. □