



NEWS AT A GLANCE

■ Praise for the late former French President Francois Mitterrand from France's extreme-right National Front Party was sharply criticized by French Jewish leaders. Mitterrand was eulogized amid continuing controversy over his past Nazi ties. [Page 3]

■ Palestinian officials believe that a Palestinian businessman suspected of assisting in the killing of Hamas terrorist Yehiya Ayash fled to Israel. The Palestinian Authority issued an arrest warrant for Kamal Hamad and said that they might ask Israel to extradite him. [Page 2]

■ An Islamic Jihad terrorist detained by Israel has confessed to planning the suicide bus bombing at Beit Lid a year ago. After obtaining the confession, Israeli security agents were directed to the location of an unused bomb left near the site of the attack. [Page 2]

■ The cornerstone was laid for the Cross-Israel Highway project, labeled a "road of peace" as well as an "environmental disaster." The highway has been promoted as an answer to the country's dire traffic problems. [Page 4]

■ Almost a third of Jewish settlers in the West Bank would consider leaving their homes in exchange for "fair compensation" from the Israeli government, according to a poll. But 58 percent of the 511 settlers questioned said they would reject the offer outright.

■ U.S. Sens. Arlen Specter (R-Pa.) and Richard Shelby (R-Ala.), two of Yasser Arafat's loudest critics in the Congress, met with the Palestine Liberation Organization chairman during a trip to the Middle East. Arafat reiterated to the senators his pledge to change the PLO's covenant within two months of the Palestinian elections.

■ Media traveling with U.S. Secretary of Defense William Perry reportedly received a map of the Middle East from the Jordanian Ministry of Tourism that omitted the State of Israel. The map received by more than a dozen reporters showed Jordan and, where Israel is located, a country called Palestine.

NEWS ANALYSIS

Death of leading Hamas terrorist not halting Palestinian elections

By Gil Sedan

JERUSALEM (JTA) — Although Palestinians this week mourned the death of Hamas terrorist Yehiya Ayash, his killing did not impede the process leading up to Palestinian elections.

Too much is at stake in what for Palestinians is their first taste of democracy. The death of the man known as "The Engineer" — who was viewed by many Palestinians as a national hero — will not be allowed to spoil the Jan. 20 balloting.

Ayash, who topped Israel's most-wanted list for masterminding a series of suicide bombings that killed scores of Israelis, was killed in an explosion last Friday after he picked up a booby-trapped cellular phone at a hideout in Gaza.

As he confronted the implications of Ayash's death, Palestine Liberation Organization leader Yasser Arafat was well aware of the electoral problems the killing could create.

Last Friday, hours after Ayash's death was confirmed, Arafat rushed to pay condolences to Mahmoud Zahar, the Hamas spokesman in Gaza.

In a further attempt to prove his sympathy for the fallen terrorist, Arafat sent a contingent of Palestinian police officers to salute the deceased at the funeral procession the next day.

But Arafat himself conveniently stayed away from the funeral, preferring to spend Saturday in the West Bank town of Bethlehem honoring the Christian Orthodox community.

But for Arafat it was all a delicate balancing act.

At a rally Sunday in the village of Dura near Hebron, Arafat called Ayash "a martyr" and urged Israel not to commit any murders "on the soil of Palestine." But he was careful not to embark on a collision course with the Israelis.

What made the balancing act particularly delicate was the fact that there was no love lost between "The Engineer," his colleagues and Arafat.

Arafat's main concern is to reach Palestinian election day in one political piece — and to win the contest. For Arafat, all the rest is marginal.

Ayash's death was certainly a blow to Palestinian society. But Palestinians take the fall of their heroes with a measure of equanimity that is sometimes difficult to understand.

Mixed reactions to Ayash's death

In the Gaza Strip, Palestinians observed a three-day mourning period with a general strike. But in the West Bank and in eastern Jerusalem, Palestinian reaction to Ayash's death was mixed.

The shops of eastern Jerusalem on Sunday morning provided a case in point: Some were closed simply because it was Sunday, while others were closed in observance of the strike.

But the vast majority of merchants opened their shops and chatted with tourists. True, they were ready to shut down if ordered to by Hamas hooligans, but they were not rushing to give up business if not confronted.

"The strikes do not serve any purpose," said Ahmed, the owner of a snack shop near Jaffa Gate in Jerusalem's Old City. "We are the only ones who lose out. I have lost years of income because of those strikes."

Ahmed — who, at a time when critics of the Palestinian Authority are summoned for police questioning in the middle of the night, preferred not to provide his last name — condemned the killing of Ayash.

"Is this man a hero or a terrorist? I really don't know," Ahmed said. "But I can tell you one thing: For the Palestinians he is a hero."

Many Palestinians, including Ahmed, do not criticize the killing itself as much as its timing.

"The Israelis should have waited until after the elections," Ahmed said.

Israelis, meanwhile, were angered to see televised images of Palestinian police officers saluting over the grave of Ayash at Saturday's funeral.

"What would you say if an IDF officer would salute over the grave

of Baruch Goldstein?" Sufian Abu Zaide, an official in the Palestinian Authority, was asked this week by an Israel Radio moderator who questioned how Palestinian police officers could pay tribute to someone who in Israeli eyes was nothing more than a mass murderer.

Goldstein carried out the February 1994 Hebron massacre, killing 29 Palestinian worshipers at the Tomb of the Patriarchs before he was killed by an angry crowd of survivors of his attack.

Abu Zaide had no reply. He probably knew that no answer could satisfy Israelis.

The Palestinians, by and large, draw a distinction that cannot be bridged between Palestinian and Israeli murderers. Perhaps it is the result of 28 years of Israeli rule; perhaps it is a matter of a different political culture.

But in their eyes, all the Baruch Goldsteins are murderers and the Yehiya Ayashes are freedom fighters.

But by the same token, some Palestinians feel that Israelis paint them with too broad a brush stroke, as if all those who mourned Ayash's death were potential terrorists themselves.

"Not all the Palestinians who attended Ayash's funeral are Hamasniks," said Sheik Abdullah Nimer Darwish, a leading member of the Islamic Movement in Israel, a fundamentalist Israeli Arab group.

"They came there because they were furious that their house was broken into," Darwish said, referring to the claim that Israel was responsible for the killing in territory that is under Palestinian self-rule.

He said the killing of Ayash was a slap in the face for those Palestinians who believed that they were now on the road to sovereignty.

Israel has neither confirmed nor denied its involvement in Ayash's death.

The killing of Ayash left Hamas with a dilemma.

On the one hand, it wanted to stick to its recent understanding with the Palestinian Authority to lower its terrorist profile in order not to interrupt the redeployment process of the Israel Defense Force in the West Bank.

On the other hand, the Hamas leadership is well aware that their supporters expected a strong reaction to the murder of their top soldier.

In a leaflet circulated last Friday in Gaza, Hamas accused the Palestinian Authority of complicity in the murder of Ayash.

Although Hamas leaders did not repeat the accusation in speeches over the weekend, the message gathered adherents.

"There is no doubt in my mind that Arafat collaborated with the Israelis in the killing of Ayash," Ahmed said. "It was in his interest to silence 'The Engineer' just as much as it was in the interest of the Israelis."

But the conspiracy theory, though quite popular in Arab politics in times of confusion, did not appear to dominate the ongoing electoral process.

Despite the three-day general strike declared by Hamas, the daily Arabic newspapers continued to carry the photos of dozens of candidates for the elections.

And analysts expected that the turnout on election day would be high — somewhere in the area of 80 percent — despite criticisms that the elections were not being carried out in a democratic manner. □

Detained Palestinian confesses to planning Beit Lid bus bombing

By Naomi Segal

JERUSALEM (JTA) — An Islamic Jihad terrorist detained by Israel has confessed to planning the suicide bus bombing at Beit Lid a year ago.

Some 21 people — most of them soldiers waiting

for buses back to their bases — were killed when two suicide bombers blew themselves up at an intersection near the Israeli coastal city of Netanya.

Abed Al-Balbisi, who was being questioned since Dec. 6 by Israel's domestic security service, the Shin Bet, reportedly confessed to the attack last week.

A third bomb was originally supposed to have been used in the attack, he said, but the suicide bomber never showed up and the bomb was hidden.

The Shin Bet retrieved the bomb, which contained some 33 pounds of explosives, from the place it was hidden, not far from where the attack took place.

Balbisi made headlines in late December when the High Court of Justice upheld his petition against the Shin Bet's use of force in interrogating him.

The court ordered the state attorney to explain within seven days why using physical force against Balbisi was necessary.

In response, the state attorney told the court that Balbisi had confessed to being the planner and organizer of the January 1995 Beit Lid attack. □

Palestinians: Gazan suspect in Ayash killing fled to Israel

By Naomi Segal

JERUSALEM (JTA) — Palestinian security forces have issued a warrant for the arrest of a Gaza City building contractor they suspect was involved in last Friday's killing of Hamas terrorist Yehiya Ayash.

Ayash, who topped Israel's most-wanted list for masterminding a series of suicide bombings that killed scores of Israelis, was killed in an explosion at a hideout in the Gaza Strip after he spoke into a booby-trapped cellular phone.

Palestinian police believe that Kamal Hamad, a suspected collaborator with Israel, gave the rigged phone to his nephew, who owned the apartment where Ayash was hiding.

Hamad's whereabouts since Ayash's killing are unknown.

Palestinian officials, who believe that Hamad fled to Israel, are reportedly considering asking Israel to extradite him to Gaza.

Until now, the extradition clause of the agreement signed by Israel and the Palestinians last September in Washington has been employed only by Israeli officials seeking suspected terrorists believed to have fled to the self-rule areas.

Israeli officials have neither confirmed nor denied the Jewish state's involvement in Ayash's death.

But the Palestinian Authority — along with Hamas leaders — has put the blame squarely on Israel. □

Two Palestinians hurt near Hebron

By Naomi Segal

JERUSALEM (JTA) — Two Palestinian youths were wounded this week in clashes with Israel Defense Force soldiers in a village near the West Bank town of Hebron.

The clash occurred Monday in the village of Dura as Palestinians observed the final day of a three-day general strike, called in memory of Hamas terrorist Yehiya Ayash, who was killed last Friday in Gaza.

In the incident, Palestinians began to throw stones at the soldiers. When the soldiers tried to detain two stone-throwers, a crowd encircled their jeep, Israel Radio reported.

The soldiers fired shots in the air to disperse the crowd, and the two Palestinians were wounded. □

France's Mitterrand eulogized amid controversy over Nazi ties

By Lee Yanowitch

PARIS (JTA) — Adding a jarring note to the flood of tribute after Francois Mitterrand's death this week, France's extreme-right National Front Party praised the former president for refusing to apologize for France's role in deporting Jews during World War II.

The National Front's remarks came just hours after Mitterrand, France's longest-serving president, passed away in his sleep Monday after a long battle with prostate cancer.

"Francois Mitterrand showed more moral courage than his successor," said Bruno Gollnisch, the National Front's secretary general. "Despite pressure from his friends and all sorts of lobbies, he rightly refused to recognize France's responsibilities in the persecutions of which Jews were victims."

National Front leader Jean-Marie Le Pen denies being anti-Semitic, but he has repeatedly triggered outrage among France's Jews with deliberately offensive remarks, such as saying that the Holocaust was merely a "detail" of history.

Gollnisch's comments threatened to revive a controversy over Mitterrand's attitudes toward France's wartime past that marred the final years of the Socialist leader's 14-year period in office that ended in 1995.

Jean Kahn, president of the Consistoire General, which oversees the religious needs of France's Jewish community, was among those critical of Gollnisch's remarks.

Gollnisch's "declaration should be filed away like those of the same category, which show that his party harbors nostalgia for the Vichy regime," which collaborated with the Nazi occupiers of France, Kahn said in an interview.

Controversy surrounding Mitterrand's wartime activities repeatedly haunted him despite his many gestures toward the Jewish community in France as well as in Israel.

'Among most outstanding leaders'

In 1982, Mitterrand became the first French president to visit Israel.

In 1984, during a visit to the Soviet Union, Mitterrand brought along Theo Klein, the then-head of CRIF, the umbrella organization of secular French Jewish organizations — a gesture intended to increase public awareness of the plight of Soviet Jewry.

Shortly after Mitterrand's death, Israeli Prime Minister Shimon Peres described the French leader as "a friend of Israel," adding that Mitterrand was "among the most outstanding leaders in the 20th century."

Henri Hajdenberg, the president of CRIF, also had praise for Mitterrand, speaking in an interview of the late leader's "deep interest in all that concerned the Jewish community and Israel."

French Chief Rabbi Joseph Sitruk said Mitterrand's relations with France's 700,000-strong Jewish community "were always marked by great attention and a desire for profound understanding."

Sitruk added: "He was a convinced secularist, yet he felt that the freedom of religious practice should be preserved."

Nobel laureate Elie Wiesel, who was a close friend of the late president, told French radio: "Who else in Europe had his stature? Who else in Europe will leave, or has left, such a mark on the youth of yesterday and today?"

"He was always on the side of the underdog, the

victims, always on the side of the abandoned," Wiesel said.

Widely acknowledged for having maintained France's influence as a world player throughout the Cold War years, Mitterrand was also the object of heated controversy.

In the last years of his presidency, Mitterrand came under fire from intellectuals and Jewish groups for refusing to apologize for France's wartime complicity with the Nazi occupiers in rounding up some 75,000 Jews and deporting them to concentration camps.

Mitterrand insisted that France could not be held responsible for the crimes of the collaborationist Vichy regime of World War II and therefore owed no apology.

He was booed in July 1992 by militant Jews at a ceremony marking the 50th anniversary of the notorious roundup at the Velodrome d'Hiver, the cycling stadium where on July 16, 1942, some 13,000 Jews, about 4,000 of them children, were deported from France to Nazi death camps.

Only about 2,500 returned.

Mitterrand's insistence on sending a wreath every year to be laid on the tomb of Vichy leader Marshal Philippe Petain to honor his heroism during World War I further exacerbated the controversy surrounding Mitterrand.

He finally stopped sending the wreath in 1993 under pressure from Jewish groups and former Resistance fighters.

But revelations in a book published in 1994 that Mitterrand worked for the Vichy regime and was an extreme-right sympathizer in the early years of the war before joining the Resistance in late 1943 stirred up a political storm.

The book by journalist Pierre Pean, written with Mitterrand's help, linked the French leader to far-right causes before the war and told of his close friendship with former Vichy Police Chief Rene Bousquet, who provided the Germans with the manpower to carry out the Velodrome d'Hiver roundup.

Mitterrand continued to meet with Bousquet until 1986, even though Bousquet's involvement in the roundup had become known in the late 1970s.

Bousquet was awaiting trial for crimes against humanity when he was shot dead in June 1993 at the age of 84 by a man described by police as a deranged publicity-seeking writer.

CRIF President Hajdenberg said that because of his relationship with Bousquet, Mitterrand's "image will remain shrouded."

France's wartime guilt

The book, called "A French Youth," shocked many on the left and fueled attacks by Mitterrand's foes, who often portrayed him as a ruthless opportunist and political schemer.

Mitterrand attempted to defuse the scandal by giving long explanations in newspaper and television interviews, saying that he had used his position in the Vichy government to forge identity papers for Resistance fighters and to help the underground opposition.

Although Mitterrand tried at the end of his presidency to come to terms with his country's — and his own — actions during the war, his many years of avoiding the issues had come to symbolize France's ambiguity toward its past.

It remained for Mitterrand's successor to confront head-on the issue of France's wartime guilt.

Last July, just two months after taking office, President Jacques Chirac used the annual Velodrome d'Hiver commemoration to acknowledge that France shared responsibility for sending Jews to their deaths. □

Israel Bonds lowers rates to maintain competitiveness

By Cynthia Mann

NEW YORK (JTA) — The interest rates on Israel Bonds will be lowered in an effort to be more competitive with money the Israeli government can raise in commercial markets.

The international organization announced what it called substantial decreases mainly in the bonds being sold with floating interest rates.

"We've reduced interest rates by having a larger spread below the prime rate than before" as a reflection of "our sensitivity to Israel's cost of raising money," said retired Gen. Nathan Sharony, president of Israel Bonds in New York.

The prime rate is a benchmark used by banks to set interest charges based on the banks' borrowing costs.

Given its improved economic standing, "Israel has succeeded in raising money at a cheaper rate in the commercial market, so we had to adjust," Sharony said, adding, "The government shouldn't pay a prohibitive price."

Israel Bonds offers to Diaspora Jews securities issued by the government of Israel and provides investment capital for the development of Israel's economy.

The reductions follow complaints by some Israeli politicians in recent years that the rates of the bonds made them burdensome to the government.

The complaints angered many in the Diaspora establishment.

For Sharony, such remarks reflected a failure to understand that the bonds are an important connection to Israel for Diaspora Jews as well as "a safety net for a rainy day."

Sharony continued, "No one wants to lose that."

"Irrespective of what Israel's economic or political situation is, this constituency always buys bonds, and in worse times, they buy more," he also said.

Finance Minister Avraham Shochat praised the announcement, according to a statement issued by Israel Bonds.

"Israel should not give up an important source of income, one that is not dependent on economic and political fluctuations in the Middle East and the international capital market," he said.

Some of the changes include a drop in the floating rate bond with a fixed maturity date of Jan. 31, 2003, from the American prime rate minus 0.75 percent to the prime rate minus 1.5 percent. The interest rate will not exceed 8 percent.

The interest rate on the economic development bond will go down from 0.75 percent to 0.70 percent.

Israel last month issued for the first time more than \$200 million in guaranteed fixed bonds on the financial market in the United States, Sharony said. □

Cornerstone laid for highway, but project still controversial

By Naomi Segal

JERUSALEM (JTA) — The cornerstone was laid this week for the Cross-Israel Highway project, which has been hailed as the "road of peace" as well as labeled an "environmental disaster."

The highway, to run about 185 miles from the Galilee to the Negev, has been promoted as an answer to the country's dire traffic problems.

The project's estimated cost is \$2 billion. Its completion date is set for the year 2010.

Construction has begun on the first phase of the

project, a 55-mile stretch of road from Hadera to east of the Tel Aviv metropolitan area.

The road will be a toll road and will be built and operated by private contractors.

Prime Minister Shimon Peres, Finance Minister Avraham Shochat and Housing Minister Benjamin Ben-Eliezer attended the cornerstone-laying ceremony Tuesday near Ben Shemen, which is between Tel Aviv and Jerusalem.

Peres praised the project as a major step toward easing traffic congestion.

The prime minister also said the project would nurture development in Israel's southern region by drawing the population away from the crowded center.

And he expressed hope that the road "would become part of the road to peace in the entire Middle East" as part of an overland route linking Jordan, Egypt, Israel, Syria and Lebanon.

However, the project has met significant resistance since its start in 1992.

Various groups have been concerned about environmental damage as well as the highway's effectiveness as a solution to Israel's overcrowded roads.

In July, environmental groups unsuccessfully petitioned the High Court of Justice to block the construction.

Several dozen activists demonstrated near the ceremony site on Tuesday.

"This road is going to pass through the only green land left in central Israel," said Orit Navo of the Society for the Protection of Nature in Israel.

"We think it won't solve any transportation problems.

"In a couple of years, that road will be blocked as well. With this time and money, they should focus their efforts both building roads and developing public transportation."

But Ben-Eliezer said builders would try to preserve the landscape and take environmental factors into account as much as possible.

He added, "Every year, 142,000 more cars are on the roads.

"Imagine what might happen if we do not start building this road for another six or seven years." □

Lawyer appeals to U.N. on Priebke

By Ruth E. Gruber

ROME (JTA) — A lawyer in Rome has appealed to the United Nations to have former SS Capt. Erich Priebke tried on war crimes charges in an international court.

Priebke, 82, was extradited in November from Argentina to Italy to stand trial for involvement in the March 1944 mass murder of 335 civilians, including 75 Jews, in the Ardeatine Caves near Rome.

Pietro Nicotera, the lawyer for a relative of one of the victims, wrote to the United Nations and to Italian legal authorities.

He urged that Priebke be tried in an international arena on genocide charges.

"In allowing his extradition, the Argentine Supreme Court recognized that the fact of having killed 75 Jews who were not prisoners of war" constitutes the "crime of genocide," Nicotera wrote, according to the Rome daily *Il Messaggero*.

A preliminary hearing had been adjourned pending a decision, which is expected in March, on whether the Jewish community, family members of the victims and others could participate in the Priebke trial as civil plaintiffs. □