

NEWS AT A GLANCE

■ The Clinton administration will host a conference in Washington to plan ways to combat terrorism internationally. The countries that attended the anti-terrorism summit in Egypt will be invited to the March 28 gathering.

■ Israel eased travel restrictions in the West Bank as the Cabinet discussed plans for a permanent separation between the Israeli and Palestinian peoples. [Page 3]

■ Groups backing the fundamentalist Hamas movement have been active throughout the United States in raising money for an Islamic holy war, new evidence suggests. [Page 3]

■ Prime Minister Shimon Peres called on Syria to restrain Hezbollah activities in southern Lebanon as a precondition to resuming negotiations with Damascus. The Islamic fundamentalist group was reported to be on alert in anticipation of a forceful Israeli reaction to its recent attacks on the Israel Defense Force. [Page 3]

■ Israel's ambassador to Argentina voiced concern about the possibility of another terrorist attack against Jewish targets there. [Page 4]

■ The defense and prosecution rested their cases in the trial of Yigal Amir, the confessed assassin of Israeli Prime Minister Yitzhak Rabin. [Page 2]

■ Italian authorities reportedly are investigating six people in connection with the escape of a Palestinian jailed for murdering an American Jew during the 1985 hijacking of the Achille Lauro cruise ship. The U.S. State Department said it is prepared to resettle in the United States anyone who has information leading to the capture of Youssef Magied al-Molqi.

■ Canadian prosecutors dropped charges of promoting racial hatred that had been filed against Holocaust denier Ernst Zundel, saying that they did not have enough evidence to proceed.

■ Israel's cost of living index rose 0.9 percent in February — higher than anticipated. The news sent the Tel Aviv stock market plunging. [Page 4]

BEHIND THE HEADLINES**Jews fear Communist leader will win presidential election**

By Lev Krichevsky

MOSCOW (JTA) — As the Russian presidential campaign moves into high gear, the country's Jews are clearly worried about what the future will hold for them after the June 16 balloting.

The Communist Party candidate, Gennady Zyuganov, has taken the lead in recent polls, and many Jews here believe that anti-Semitism and Russian chauvinism may become the hallmarks of state policy if Zyuganov wins the election.

Moreover, the lack of clarity regarding the exact shape Zyuganov's policies will take if he is elected has Russia's estimated 600,000 Jews distinctly uneasy.

Zyuganov's electoral prospects received a boost earlier this month when several small hardline Communist parties joined with a party representing war veterans to found a bloc that vowed to support Zyuganov at the polls.

Such unity has been lacking among the more democratically oriented reformist movements, which have yet to unite behind a single candidate.

Divisions among the reformers — including the Our Home is Russia Party and the Yabloko bloc — contributed in large measure to their poor showing in December's parliamentary elections, when they placed well behind the first-place Communists, who now hold 157 seats in the 450-seat Duma, or lower house of Parliament.

Although Zyuganov has been trying recently to appear to the West as a sort of a social democrat, "There is very little doubt that he is drifting toward a National Socialist tradition," said Yevgeny Proshechkin, director of the Moscow-based Anti-Fascist Center and a member of the Moscow City Council.

Zyuganov, a Communist Party functionary and organizer in Soviet days, has recently been holding discussions with a wide range of potential allies, including some hardline nationalists who seek a restoration of the Soviet Union and a revival of Russian military strength.

Because these discussions are still continuing, predicting what Zyuganov's policies would be is difficult.

"We don't know for sure what trends will be prevailing among the Communist leadership if Zyuganov wins the election," Proshechkin said, referring to the variety of political thinking among today's Russian Communists.

Resolution brands Soviet breakup illegal

A glimpse of what that future might be like came last Friday, when the Communist-controlled lower house of Parliament voted 250-98 that the 1991 breakup of the Soviet Union was illegal and called for steps to be taken to return all the former Soviet republics under Moscow's leadership.

The resolution, which was adopted with the support of nationalist parties, is expected to have no immediate effect, but it raised additional fears about the postelection future.

Proshechkin, who is one of Russia's leading anti-fascist activists, said a possible rise of state anti-Semitism under the Communists would have repercussions for the population at large, not only for the country's Jews.

But that provides small solace for many in the Russian Jewish community. Some are already contemplating emigration.

"I cannot trust the Communists, and if they regain power I won't stay in Russia," said Erna Shiller, a retired engineer.

"I will leave not because of anti-Semitism, but simply because I know pretty well what the Communists are," she said.

Marat Gelman, owner of a well-known Moscow avant-garde art gallery that bears his name, was quite clear about his plans.

"If the policy of state-supported anti-Semitism is resumed, I will leave Russia immediately."

Beyond the concerns about a shift toward nationalism and anti-Semitism if Zyuganov wins, many in the Russian Jewish community are worried about his economic policies.

Although Zyuganov is not entirely clear about how it would be

implemented, his economic program, built on a set of populist slogans, would spell the end of the reformist era.

Jewish businessmen, many of whom have recently become prominent figures in Russia's business community, view the Communist program as marking the end of Russia's slow, painful steps during the past few years toward a free-market economy.

"Nationalization might become a reality in this country," said Mark Weinstein, chairman of the board of Russo Bank.

"We have not entered that far yet into a market economy, so Russia could be turned back to a state-administered economy relatively easily."

Jewish voters, who generally support democratic candidates, are expected to back either President Boris Yeltsin, who is not officially allied with any party, or liberal economist Grigory Yavlinsky, whose Yabloko bloc finished fourth in the December parliamentary elections.

Yeltsin has been placing second in recent opinion polls, while Yavlinsky is running fourth.

Some 15 candidates are expected to run in the presidential elections. Because of the large number of contenders, the race is expected to be decided in a second-round runoff ballot involving the two top vote-getters.

Ultrationalist Vladimir Zhirinovskiy, whose speeches are peppered with thinly veiled anti-Semitism, has been running third in most polls. But some have shown him in second place, ahead of Yeltsin.

Although many downplay his chances in the voting, Zhirinovskiy is widely regarded as a veritable wild card.

His ill-named Liberal Democratic Party placed third in the parliamentary election, and he commands the support of millions of down-and-out voters who dream of a return to Russia's glory days.

Some political observers believe that if he fails to make it to the runoff, Zhirinovskiy will throw his support behind Yeltsin in an effort to ambush Zyuganov.

Gorbachev throws hat in the ring

Among those who have thrown their hats into the presidential ring is the man who presided over the downfall of the Soviet Union: Mikhail Gorbachev.

After months of playing coy with a largely indifferent Russian public, Gorbachev announced March 1 that he would run for the presidency.

His announcement, however, has received little attention in Russia, where recent polls suggest that only 0.5 percent of the population would vote for him.

Some political experts believe that Gorbachev is less interested in the presidency than in staying in the public eye.

Jewish voters here appear to share the general public's opinion of Gorbachev.

"His time has gone, and I don't think he's got something more to say," said Boris Dikstein, a 26-year-old medical student. "Gorbachev has done a lot for political freedom, but he has never been good on the economy."

Many reform-minded politicians see Yeltsin as the only viable alternative to Zyuganov. But others, unable to forgive Yeltsin for the ongoing war in the breakaway republic of Chechnya, are rallying around Yavlinsky.

Former Prime Minister Yegor Gaidar, leader of the reformist Russia's Democratic Choice Party, has set peace in Chechnya as a major condition for his party's support of Yeltsin.

The leader of the Party for Economic Freedom, Konstantin Borovoy, recently urged his supporters to back Yavlinsky. But Borovoy, who is Jewish, went a step further: If the runoff vote pitted Yeltsin against Zyuganov, he would recommend a vote for neither one. □

Trial of Rabin's assassin goes to judges for verdict

By Naomi Segal

JERUSALEM (JTA) — Arguments in the trial of Yigal Amir came to a close this week, with the defense contending that murder charges against the confessed assassin of Israeli Prime Minister Yitzhak Rabin should be dropped.

After two months of testimony, the defense and prosecution rested their cases in Tel Aviv District Court on Sunday, leaving Amir's fate in the hands of a three-judge panel.

Their verdict is not expected for several weeks, lawyers said after Judge Edmond Levy adjourned the court Sunday.

In her closing remarks, prosecutor Pnina Guy argued that Amir, a 25-year-old law student, should be convicted of premeditated murder.

"The defendant used the words 'kill' and 'murder' dozens of times during his interrogation and here on the witness stand to describe his actions," she said.

"He expressed no remorse," the prosecutor added. "On several occasions, he said he was proud of killing the prime minister and vowed that he would do it all over again."

She also asked the justices to accept the opinion of three psychiatrists who examined Amir and concluded that he did not suffer any mental or emotional disturbances, temporary or otherwise.

Amir has pleaded innocent to charges of premeditated murder.

He said he wanted to paralyze Rabin in order to remove him from the political arena and stop him from continuing the peace process with the Palestinians.

Defense attorney Shmuel Fleishman said the premeditated murder charge, which carries a maximum life sentence, should be dropped because his client did not intend to kill the prime minister.

Another defense attorney, Gabi Shahar, asked the court to convict his client only of attempting to kill Rabin, because the possibility of a second gunman could not be ruled out.

Shahar said Amir had testified that his pistol was loaded with nine bullets Nov. 4, the night he shot Rabin leaving a peace rally in Tel Aviv.

Amir fired three times at point-blank range, Shahar said. Two bullets hit the prime minister, and one a body-guard, wounding him.

'You have to support your theories'

But, he also said, eight bullets were later found in Amir's gun, in a clip that could hold 13.

If there were nine bullets to begin with, "how do you get a clip with eight bullets left over, after firing three times?" Shahar said.

He then floated a theory that "someone topped off the clip with blanks and then fired at Rabin using a different gun equipped with a silencer at the very moment Amir pulled the trigger."

Several witnesses testified that someone shouted, "Blanks, blanks" when Amir fired, but the person has remained unidentified.

The judge interrupted Shahar's argument several times, at one point ordering him to "stop with the innuendos."

"It's not enough to cast doubt on evidence and suggest various theories," Levy said. "You have to support your theories."

The judge said he would soon announce when the court would hand down its verdict. □

Israel to keep territories shut, urges world aid for Palestinians*By Naomi Segal*

JERUSALEM (JTA) — Israel will maintain its closure of the West Bank and Gaza Strip indefinitely, reflecting the seriousness with which the government is considering a permanent separation between the Israeli and Palestinian peoples.

Prime Minister Shimon Peres told his Cabinet on Sunday that the continuing closure would be linked to the Palestinian Authority's ability to capture the leaders of the Hamas and Islamic Jihad movements.

But at the same time, Peres called on the international community to provide financial aid to the Palestinians, signaling that Israel is not solely responsible for the well-being of the Palestinian people.

The closure, which has kept some 60,000 Palestinians from their jobs in Israel, was imposed Feb. 25, after the first of four Hamas suicide bombings over a nine-day period killed scores of Israelis. The bombings prompted Israeli officials to reconsider the separation concept.

Last year, the Cabinet rejected a plan to build a fence between Israel and the West Bank as too costly. But during talks with American officials here last week, Israel reportedly secured U.S. aid to build the high-tech barrier.

Palestinian officials have said the closure has led to severe shortages of food and other supplies.

They also blamed at least three deaths last week on the closure, saying that Israeli roadblocks had prevented Palestinians from receiving timely medical attention.

After Sunday's Cabinet meeting, several ministers said that even though the closure would remain in effect, food shipments would be allowed into the Gaza Strip and the West Bank, and that exceptions would be made for humanitarian reasons, such as medical emergencies.

Last Friday, Israel lifted a separate blockade — on Palestinian towns and villages in the West Bank — that it had imposed in the aftermath of the suicide bombings.

Meanwhile, Palestinian police announced Sunday that they had arrested a 21-year-old Islamic Jihad activist planning to carry out a suicide bombing in Tel Aviv.

But Israeli officials said key terrorist leaders remained at large, including Mohammed Deif, a Hamas activist believed to have been behind the recent wave of suicide bombings.

Peres told the Cabinet that until these leaders were captured, Israel would not begin its redeployment from the West Bank town of Hebron, a move scheduled to take place later this month.

As part of its war on Hamas, Israeli police on Sunday closed the offices of an Islamic charity in Nazareth on suspicion that it was channeling funds to the families of suicide bombers. Large sums of money were reportedly confiscated when police closed the offices of the Islamic Salvation Committee in Nazareth, a city within Israel's pre-1967 borders.

Last week, Israeli police arrested the deputy mayor of Umm el-Fahm, the second largest Arab population center in Israel, on charges of diverting charity moneys to the families of Hamas terrorists. □

Hamas fund raising in U.S. is extensive, videos suggest*By Daniel Kurtzman*

WASHINGTON (JTA) — As U.S. and Israeli authorities move to crack down on Hamas, new evidence suggests that the Islamic fundamentalist group's fund-raising activities in the United States are extensive.

Video footage made public recently depicts a

network of pro-Hamas organizations exhorting Arab audiences at conferences across the country to take part and fund an Islamic holy war.

While the footage does not provide conclusive evidence of fund raising for terrorism — officials rarely mention specifics and often claim to be raising money for orphans — it sheds light on the existence of pro-Hamas groups in America and how difficult it is for federal prosecutors to track their activities.

"The rhetoric in the conferences is truly frightening," Rep. Charles Schumer (D-N.Y.) said at a news conference last week.

"It is the worst and most vile, extremist hatred, and it is all designed to raise money for terrorist acts."

One promotional video, produced and distributed in the United States, includes an interview with Palestinians suspected of collaborating with Israel, just prior to their execution by Hamas death squads.

The interview is followed by a telephone number for the Dallas-based Islamic Association for Palestine in North America.

An ad for the same organization in the Muslim Business Directory contains membership and fund-raising information.

In a video shot at a 1992 Muslim Arab Youth Association conference in Oklahoma City, an official with the Holy Land Foundation for Relief and Development is seen announcing contributions totaling \$23,065 that were later traced to a Hamas terrorist leader.

In another video, widely distributed in the United States for fund-raising purposes, a Hamas member based in Kuwait is seen delivering a sermon on "jihad," or holy war.

"He who supports a warrior's family with goodness, it is as if he fought himself," the Hamas member says in the video. "The warrior has his reward, and the facilitator — that is the one who pays money to support the jihad — gets his own reward, plus the reward of the warrior."

Steve Emerson, an investigative journalist and terrorism expert who provided the video clips, said, "Their agenda is to promote terrorism, although they hide that agenda from the American public."

In a letter to President Clinton, Schumer called on the administration to investigate and freeze the assets of the organizations depicted in the video footage.

"It is time for Americans to take their heads out of the sand," the congressman said. "Make no mistake about it. Hamas is here in the United States." □

Israel will not return to talks until Syria reins in Hezbollah*By Naomi Segal*

JERUSALEM (JTA) — Syria will have to rein in the Hezbollah movement before Israel resumes peace talks with Damascus, Prime Minister Shimon Peres has declared.

The Israeli leader made the statement as the Islamic fundamentalist group braced for a forceful Israeli reaction in southern Lebanon to recent attacks on the Israel Defense Force and its allied militia, the South Lebanon Army.

Syria, the leading power in Lebanon, has been criticized repeatedly by Israel for giving Hezbollah the go-ahead to strike at the IDF in Lebanon.

Israeli officials have charged that Syria uses the Hezbollah attacks as a means for ratcheting up the pressure on Israel to reach a settlement with Damascus.

Israeli-Syrian negotiations at the Wye Plantation in Maryland were suspended by Israel on March 4, after Syria failed to condemn the series of recent suicide bombings in Israel. □

Study reveals Iran benefits from Western financial deals*By Shawn Cohen**Washington Jewish Week*

WASHINGTON (JTA) — Western nations provided massive credits to Iraq in the late 1980s, effectively financing the military buildup that led to Iraq's 1990 invasion of Kuwait.

Today, the West is doing the same thing again, this time with Iran, according to the American Israel Public Affairs Committee.

In a new study, "How Western Credits Underwrite Iran's Mullahs," the pro-Israel lobby argues that tens of billions of dollars are being given to the Islamic republic in credits at subsidized interest rates.

With the grace period on most of Iran's massive debts running out, European embassy sources recently said that they expect Iran to seek a rescheduling of debts already rescheduled at least once, according to the report.

AIPAC urged against any further extensions.

"Credit to Iran is not a good investment, even from a narrow business point of view," according to AIPAC.

In recent months, AIPAC has published a steady stream of reports on Iran's activities in an effort to build support for further isolating Tehran.

Iran is believed to have sought weapons of mass destruction and to support international terrorism, including terror acts against Israel carried out by Hezbollah from Lebanon and Hamas from the West Bank and Gaza Strip.

AIPAC supports President Clinton's trade embargo of Iran and new legislation to impose sanctions against foreign companies investing in its petroleum industry.

In this latest report, AIPAC determined that within the last three years, Iran has fallen into arrears on \$30 billion in debts to creditors in more than 46 countries.

'Predicament benefits the West'

Iran's credit ratings have plummeted, and without help from Western governments, the country is unable to qualify for ordinary commercial borrowing in most of the world's major markets.

Iran's debt resulted from generous commercial credits and lending by Western governments since the end of the Iran-Iraq War, according to AIPAC.

Iran borrowed much more than it could handle, and when oil prices dropped in the early 1990s, Iran stopped making payments.

By 1993, Iran was in a deep debt crisis.

"Frightened by the prospect of outright default," the report continued, "the creditor governments, led by Germany, began to reschedule Iran's debt in 1993 on even more favorable terms."

By forgiving the 12 percent premium normally charged to borrowers in Iran's risk group and permitting an extended grace period on principal payments, Europe and Japan have in effect given Iran an \$11.4 billion subsidy since 1993, according to AIPAC.

This situation has enabled Iran to service its debt on time over the past two years.

But with the grace period on most debts running out, Iran's obligations to service this debt are growing.

"At the moment, much more is flowing out of Iran to service debt than is going in as new credits," AIPAC stated.

This predicament benefits the West, the study maintained, "because it reduces Tehran's ability to finance policies inimical to our vital interests."

The pattern also increases the danger of an Iranian default.

"The sheer size of Iran's existing debt gives the threat of default considerable leverage with its European and Japanese creditors," the report continued.

Indeed, German Chancellor Helmut Kohl told Israel's Knesset Foreign Affairs and Defense Committee in June that Germany would not break trade ties with Iran because, as the Gulf state's largest creditor, it had to make sure the debt was paid.

The Clinton administration, which has had limited success in dissuading Western allies from investing in Iran, is now urging Europeans not to reschedule debts with Tehran.

Secretary of State Warren Christopher said in May that concessionary credits "allow Iran to divert scarce resources to military programs and to sponsoring terrorism."

In spite of the debt, Tehran still has unused lines of credit from many countries.

One estimate puts the total at \$1.2 billion. Another puts it at \$8.6 billion.

"A major effort is going to be required to bring each of the creditor countries to end this pattern of concessionary credits to a regime openly hostile to the vital interests of the West," AIPAC concluded. □

Israeli envoy in Argentina fears new attack by Hezbollah*By Sergio Kiernan*

BUENOS AIRES (JTA) — Terrorists belonging to the Islamic fundamentalist Hezbollah movement could launch another attack against a Jewish target here, Israel's ambassador to Argentina fears.

Ambassador Itzhak Aviran said Hezbollah operatives might have established a network of cells in Argentina and neighboring countries.

"Hezbollah is active in Argentina and may be recruiting local personnel," he said.

Aviran issued his comments on the eve of the fourth anniversary of a terrorist attack that destroyed the Israeli Embassy here.

Israel has accused Hezbollah of carrying out the March 17, 1992, car bombing of the embassy, which killed 29 people and left more than 100 injured.

Israel has also charged that Hezbollah was behind the July 18, 1994, bombing of the Jewish communal headquarters here.

Eighty-six people were killed in that attack and more than 300 were wounded.

The judge investigating the 1994 bombing, Juan Jose Galeano, is now looking into the role that an Iranian woman may have played in that incident, according to sources in the Argentine judiciary.

The woman was identified by a newspaper in Uruguay as Nasrin Mokhtari, also known as "Isabella."

The newspaper, which described her as the head of a Hezbollah cell in Argentina, reported that she was the target of an investigation by the Mossad, Israel's foreign intelligence agency. □

Tel Aviv stock market drops*By Naomi Segal*

JERUSALEM (JTA) — An unexpectedly high inflation rate for February sent the Tel Aviv stock market plunging.

Both the Mishtanim and Maof indices were down by 2.3 percent Sunday, after the Bank of Israel announced that the cost of living had risen by 0.9 percent in February.

An increase in housing costs was the main cause for the higher inflation rate. □