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86th Year

### TOP NEWS IN BRIEF

### Lieberman to announce Monday

Sen. Joseph Lieberman (D-Conn.) will announce his intention to run for president on Monday, according to media reports. Lieberman, who was the Democratic vice presidential nominee in 2000, will make the announcement at his former high school in Stamford, Conn.

Lieberman received international attention three years ago when he became the first Jewish candidate on a major party ticket for the White House.

### Infiltration attempt from Syria

Israeli soldiers killed an armed infiltrator from Syria and wounded another in a clash Wednesday in the foothills of the Golan Heights. The clash erupted after soldiers at an observation point spotted two figures crossing from Syria in Israel, according to Israel Radio

At least one of the infiltrators was wearing a Syrian army uniform, and Israeli officials believe the men were Syrian soldiers. A third man who remained on the Syrian side of the border opened fire on the soldiers before fleeing.

Syrian officials charged that the killing violated cease-fire terms with Israel, saying that the men — described as two policemen and a civilian — were trying to take water from the nearby Yarmouk River.

A Syrian military spokesman said a Syrian army patrol fired back at the Israelis, adding that an investigation is under way "to take the suitable measures."

### Sharon denies wrongdoing

Israeli Prime Minister Ariel Sharon denied any improprieties surrounding a loan his sons received from a South African family friend. [Page 3]

#### E.U. condemns Israel's travel ban

The European Union joined international criticism of Israel for barring Palestinians from attending a British-sponsored conference on Palestinian Authority reform.

A statement issued by the European Union warned that such steps could lead to more hatred and extremism in the region. The United States also said it wants the conference to go ahead.

Israel barred the Palestinian delegation from traveling in response to Sunday's terror attack in Tel Aviv.

### **NEWS ANALYSIS**

## As campaign heats up, parties spar over terror and approach to Arafat

By Leslie Susser

JERUSALEM (JTA) — This week's suicide bombing in Tel Aviv has made terror even more of a central issue in Israel's upcoming election — and highlighted the major parties' different prescriptions for ending the violence.

For months, Amram Mitzna, the Labor Party's candidate in the elections, has advocated the construction of an electronic fence between Israel and the West Bank to keep terrorists out of Israeli cities.

After Sunday's attack, Mitzna decided to put the fence idea at the center of his campaign.

In Labor's first television spot, which aired Tuesday, Mitzna accused Prime Minister Ariel Sharon of the Likud Party of dragging his feet on a fence for "political reasons" — settler pressure and fear that a fence might constitute a permanent border close to Israel's pre-1967 war boundary.

So far, less than 3 miles of the projected 200-mile barrier between Israel and the West Bank have been built.

"Sharon chose not to build the fence," Mitzna declared the day after the bombing, "and so the terror continues."

Sharon, for his part, launched a personal attack on Mitzna in recent days, accusing him of "inexperience" and trying to link him to peace plans backed by the Labor government of former Prime Minister Ehud Barak. Presented at the July 2000 Camp David summit and afterward, the plans included "irresponsible" concessions to the Palestinians, Sharon said.

Past Israeli elections also have revolved around terrorism, but this one, scheduled for Jan. 28, has a twist.

Terror attacks crippled the campaigns of incumbent prime minsters Yitzhak Shamir in 1992, Shimon Peres in 1996 and Barak in 2001.

This time the violence seems likely to benefit Sharon, the hawkish father figure, at the expense of the untested Mitzna.

Sharon's policy has been to fight terror primarily by military force. He advocates a peace agreement with the Palestinians, but only after terror stops and the Palestinian leadership is replaced.

Mitzna, however, advocates immediate negotiations with the Palestinians without preconditions — and, if those fail, a unilateral withdrawal from most of the West Bank to positions behind the promised security fence.

Another key difference is the candidates' view of Palestinian Authority President Yasser Arafat. Mitzna's program implies that Arafat not only can stay in power, but—as the Palestinian official theoretically most able to "deliver" a peace agreement—may even become a productive negotiating partner.

If Israel is forced to undertake a unilateral separation from the Palestinians — Mitzna's fall-back position — it doesn't matter who is leading the Palestinian side.

Sharon, in contrast, has stated repeatedly that the replacement of Arafat is a precondition for diplomatic progress — and even has brought President Bush around to his view.

The aftermath of Sunday's bombing seems to indicate that pressure to expel Arafat from the Palestinian territories once again is building on Sharon. Though it almost surely won't happen before an anticipated American-led strike on Iraq, the day of Arafat's exile

### **MIDEAST FOCUS**

### 2 Palestinians killed in clashes

Two Palestinians were killed in separate clashes Wednesday with Israeli troops.

In the Gaza Strip, an armed Palestinian was killed in an exchange of fire with soldiers near the settlement of Neveh Dekalim.

In a West Bank village near Tulkarm, Israeli troops killed a Palestinian who the army said had fired on the soldiers, Israel Radio reported.

### Palestinian colleges to be closed?

Israeli security officials recommended closing three West Bank colleges considered centers of Hamas and Islamic Jihad activity.

The officials recommended closing the Palestine Polytechnic Institute and the Islamic College in Hebron, and the Islamic College in Abu Dis. More than 5,000 students attend the institutions.

Legal experts are looking into the implications of the recommendations. In another development after Sunday's deadly terror attack in Tel Aviv, Israel banned Palestinians younger than 35 from entering the country to work Tuesday, even if they have permits.

#### Sentences for Jerusalem murder

A Jerusalem court gave a Palestinian a life sentence plus 20 years for killing an Israeli woman last year on the Jerusalem Promenade. Six other residents of the nearby neighborhood of Abu Tor received long sentences for participating in the killing of Moran Amit, according to Israel Radio.

Amit and her boyfriend were strolling along the promenade when they were accosted by a group of masked youths. The boyfriend ran for help. Amit tried to flee, but was pursued into a nearby forest and stabbed to death.

A few months earlier the same gang stabbed and seriously wounded another man on the promenade.

# Daily News Bulletin

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may be drawing closer. Sunday's attack highlighted Sharon's difficulties dealing with Palestinian terrorism in the run-up to the expected American strike.

The United States has demanded that Israel refrain from inflaming the Arab world before a possible war on Iraq. In recent days, the United States has criticized even the demolition of terrorists' homes — a policy blasted by human rights groups, but one of the few Israeli steps that has proven partially successful at deterring suicide bombers.

Given the U.S. pressure, Sharon rejected advice from his top Cabinet ministers to exile Arafat now, but he reportedly assured them that he would review the situation after any war on Baghdad redraws the political map of the Middle East.

Hours after the Tel Aviv bombing, Sharon summoned three senior ministers to a late-night consultation on Israel's response. All three — Defense Minister Shaul Mofaz, Foreign Minister Benjamin Netanyahu and Finance Minister Silvan Shalom — wanted to expel Arafat from the Palestinian territories.

As long as Arafat is around, terrorism won't stop, nor is there a chance of serious governmental reforms in the Palestinian Authority, they argued.

Sharon agrees with the assessment in principle but, because of the American pressure, nixed the idea of expelling Arafat. But after the American offensive, aides say, Sharon believes Washington will give Israel far more leeway in responding to Palestinian terrorism, making that the proper time to expel Arafat.

Appearing before the Knesset's Foreign Affairs and Defense Committee on Monday, Mofaz essentially confirmed that the government is planning to exile the Palestinian leader, saying that the day is "getting closer" when Arafat will no longer be around.

Defense Ministry sources say that Israel aims "to engage the Palestinians in serious peace talks" in the coming year — something that, in Mofaz's view, "can only happen without Arafat."

Netanyahu made a similar point in an address to foreign diplomats on Monday when he defended Israel's refusal to allow Palestinian officials to attend a London conference on reforming the Palestinian Authority.

Having Arafat send representatives to discuss reforming his regime was as absurd "as Saddam Hussein sending his minions to discuss reform of the regime in Baghdad," Netanyahu said.

The Israeli statements against Arafat reportedly are being echoed by senior Palestinian officials.

According to Israeli government sources, Palestinians who met top Sharon aides to discuss renewing the peace process "the day after" Israeli elections and war in Iraq said there would be no progress as long as Arafat is around.

Indeed, the Israeli sources said, the Palestinians seemed to feel they were risking their lives merely by talking to Israel.

Labor Party leaders, however, are solidly against expelling Arafat, even after any American strike on Iraq.

Haim Ramon, chairman of the Knesset's Foreign Affairs and Defense Committee, said that precisely because of Arafat's role in Palestinian terrorism, it would be better to keep him "cooped up in Ramallah" than to allow him to travel the world pressing the Palestinian case and raising funds for more attacks.

"No one would replace Arafat in the territories," Ramon said, "and expelling him would only make things worse."

For the leaders of Israel's two major parties, having Arafat around, at least for the next three weeks, may actually make things easier.

For Mitzna, Arafat is a potential partner at best, and is irrelevant at worse.

Regarding Sharon, it may be instructive to recall the headline in one major American magazine after the Likud leader was elected prime minister in February 2001. Noting that Palestinian terrorism had overthrown the most peace-oriented government in Israel's history, The New Yorker called Sharon's election "Arafat's gift."

Many Israelis say Sharon has no long-term vision for achieving Israeli-Palestinian peace, but they don't care: As long as Arafat heads the Palestinian Authority, they see no hope anyway.

If the polls hold true for another three weeks, Arafat may be giving Israelis the same gift this time around.  $\Box$ 

(Leslie Susser is the diplomatic correspondent for the Jerusalem Report.)

### **JEWISH WORLD**

### New accord on war criminals

A planned agreement between the U.S. government's Nazi-hunting unit and an unnamed European government could lead to more prosecutions of suspected Nazi-era war criminals living in the United States

The agreement, scheduled to be announced later this month, could help the Justice Department's Office of Special Investigations "identify previously unknown suspects," said Eli Rosenbaum, OSI's director. The OSI recently announced that during 2002 it initiated a record 10 prosecutions against suspected war criminals in the United States.

### Schroeder pressed on funding

A leader of Reform Jewry wrote to German Chancellor Gerhard Schroeder, trying to gain recognition and funding for Germany's Liberal Jewish community.

In the letter, released Tuesday at a news conference in Jerusalem, Uri Regev, executive director of the World Union for Progressive Judaism, urged the German leader "to address the needs and the entitlements of the Union for Progressive Judaism in Germany and the communities and institutions it represents."

There has been no response yet from the Schroeder government, Shmuel Bahagon, executive director of the Union for Progressive Judaism in Germany, told JTA.

#### Euro bank head backs wife

The president of the European Central Bank came out in support of his wife's pro-Palestinian stance. In a letter issued Wednesday, Wim Duisenberg said he supports his wife, Gretta, "100 percent."

During a visit to the Middle East earlier this week, Gretta Duisenberg said Israel is committing terrorism against the Palestinians.

Last April, she caused an uproar in Holland when she draped a Palestinian flag from her balcony in Amsterdam. She later made comments that Holocaust survivors found offensive.

### Anti-Semitic books won't be sold

A Canadian group agreed to stop selling anti-Semitic and Holocaust-denying books on its Web site. The Consumer Health Organization of Canada, a private group, agreed to stop selling the books after complaints from the Canadian Jewish Congress.

The books are written by Eustace Mullins and David Icke. Mullins has described Jews as "furry scavengers who have found their way into every civilized place."

Icke has characterized Jews as a reptilian race from outer space plotting to dominate the earth.

## Sharon denies any impropriety as bribe allegations cut his support

By Naomi Segal

JERUSALEM (JTA) — Israel's election campaign broadcasts began this week, but the real battle for public opinion was dominated by new corruption allegations involving Prime Minister Ariel Sharon.

Already facing a loss of support over allegations of vote-buying and corruption in November's Likud Party primaries, Sharon took another blow with the latest disclosure involving himself and his sons, Omri and Gilad.

The Israeli daily Ha'aretz reported Tuesday that an investigation of alleged bribery, fraud and breach of trust had been launched surrounding a \$1.5 million loan Sharon's sons took from Cyril Kern, a family friend in South Africa.

According to the report, Gilad and Omri Sharon received the money from Kern as collateral for a loan they took to pay back a company through which Sharon had received illegal campaign contributions in his 1999 bid for the Likud Party leadership.

Among the allegations was whether Sharon misled police when he told them in April 2002 that the contributions, repaid at the order of the State Comptroller, were paid back through a mortgage on his Negev ranch.

In fact, the mortgage offer initially was accepted but later was rejected for legal reasons, Ha'aretz reported. The contributions ultimately were paid back because of the low-interest loan from Kern, the paper wrote.

On Wednesday, Sharon denied any improprieties surrounding the loan, calling the allegations "a despicable political plot, which I will disprove with documents and facts."

The allegations, he said, have "one single goal — to bring about the downfall of the prime minister."

A day earlier, Sharon political adviser Eyal Arad told a news conference that the loan had been paid back, along with interest and taxes, with full disclosure to the relevant authorities.

Attorney General Elyakim Rubinstein voiced outrage Wednesday that word of the investigation had been leaked to the media.

Interviewed on Israel Radio, Rubinstein said all material regarding the case had been marked classified, but had been leaked by someone with political motivations.

"Whoever released this material at this time did not release it in order to help expose the truth. He did it because of the timing," Rubinstein said, referring to national elections scheduled for Jan. 28.

Rubinstein added that it was unlikely the investigation would be completed before the election. He said a request for information had been submitted to South African authorities, which would delay the investigation.

Kern came to the prime minister's defense Wednesday, calling the leak "character assassination." Kern, originally from England, told JTA he had moved to South Africa six years ago. He is not well known in the Cape Town Jewish community.

Kern said he met Sharon when they served together in Israel's 1948 War of Independence. Kern had gone to volunteer for the fledgling Israel Defense Force.

Meanwhile, Sharon's main political rival, Labor Party leader Amram Mitzna, called on Sharon to explain the events or resign.

(JTA Correspondent Michael Belling in Cape Town contributed to this report.)

### **New leader for Seeds of Peace**

WASHINGTON (JTA) — A former U.S. envoy to the Middle East was named the next president of Seeds of Peace.

Aaron Miller, who served as an envoy during the Clinton administration, is leaving the State Department to lead the organization, which brings children from war-torn areas, including the Middle East, together for summer camp. Miller currently serves as senior adviser for Arab-Israeli negotiations in the State Department.

He will take up the new post Jan. 15. He succeeds Seeds of Peace founder John Wallach, who died last year.  $\Box$ 

### **FOCUS ON ISSUES**

## Numbers on Israel study programs plunge, but hardy students remain

By Rachel Pomerance

NEW YORK (JTA) — After Sunday's suicide bombing in Tel Aviv, Batyah Levine received an e-mail checking on her safety.

In fact, after every such attack, Levine, a Brandeis student spending her junior year in Israel, hears from her onsite campus coordinator.

"Brandeis does not abandon their students in Israel," said Levine, who is studying at Ben-Gurion University in the Negev.

Not every American university is like Brandeis, however.

As Israeli universities gear up for spring semester, most American universities have canceled or suspended their study abroad programs.

That's the chief obstacle to attempts to attract American students willing to study in Israel.

Also, leery parents, a stream of State Department travel advisories and the threat of war with Iraq have contributed to radical drops in American enrollment at Israeli universities.

The universities that attract the most American students — Tel Aviv, Ben-Gurion and Hebrew universities — will host 245 Americans this year, including the two regular semesters and the summer session.

That's only a quarter of pre-intifada enrollment, according to the universities — though one insider thinks even these numbers are inflated.

Plunging enrollment has caused many Israeli universities to change their ways of recruiting American undergraduates, the majority of American students in Israel.

College counselors no longer dispense brochures on Israeli programs or suggest them to students, so Israeli universities have become more dependent on advocacy efforts on American campuses, according to Orli Gil, Israel's consul for academic affairs in the United States.

"In the past, most of the work was more or less done through word of mouth," said Rachel Bar-El, director of the Lowy School for Overseas Students at Tel Aviv University. Today "we are trying to send people who are very charismatic" to campus, who "can approach students and speak to them, give them some sort of picture."

Some 80 American students enrolled in Tel Aviv University last fall, down from 120 in fall 2001. Another 40 students are due in the spring, slightly up from last year.

Before the intifada began, about 200 students came for the fall semester, and many stayed for the whole year. Another 300 came in the spring.

In any case, Bar-El sees a change in the way students react to terrorism.

Last year, "whenever something happened it had an immediate effect on the way people reacted," causing students to withdraw from school, for example.

After this week's attack in Tel Aviv, however, none of the students scheduled to come for spring semester withdrew, she said.

"People are starting to get used to the idea, and they start feeling that if they want to come study about the Middle East, they should do it no matter what," she said. Rebecca Weinstein, director of Ben-Gurion University's office of student services, agreed that students were more tentative last year.

Still, Ben-Gurion's American enrollment has hovered at 60 percent of its pre-intifada numbers, even though Beersheva largely has been spared the terrorism that has hit other parts of Israel.

Only 12 students are slated to come in the spring, joining 22 who are there for the year.

The university is feeling the pinch, unable to offer as many courses as it would like, Weinstein said.

"Our decreased enrollment surely goes hand in hand with American universities cancelling their programs in Israel, which goes hand in hand with the exacerbated violence in Israel," she said.

Enrollment has been hard hit at Hebrew University, which suffered a terrorist attack on campus July 31 that killed nine people, including five Americans.

After the bombing, enrollment in Hebrew University's program for foreign students plummeted from 300 to 75.

Before the intifada, as many as 1,000 American undergraduates would enroll each year.

Universities such as the University of Colorado began suspending their partnerships with Israeli universities in the fall of 2000, when the State Department issued a travel advisory to Israel after the intifada erupted.

Several major campuses, including the University of Pennsylvania, the University of California system and Indiana University, suspended their programs last spring.

Students from those schools may head to Israel anyway, and they can usually get credit on their return.

But it may not be as valuable as credit received for a university-sponsored program.

And it's not always easy for students while in Israel.

Indiana University will provide "no support" to its students while they're in Israel, a university official said: They can't receive advising or financial aid, or even use their e-mail accounts.

"With the State Department advisory, universities are concerned about their liability for students studying in Israel, so that's part of the issue," said Peter Willner, executive vice president of American Friends of the Hebrew University. "Far from encouraging students to study abroad in Israel, they're making it very plain to students and their parents the risks, and in effect discouraging them."

Indeed, the State Department advisory seems to be a key factor for universities.

Geoffrey Gee, director of study abroad for the University of Pennsylvania, said that he "would want to see the end of the travel warning" before Penn would resume its Israel program.

Until then, he said, the university's insurance policy won't cover the liability.

"Our concern is students being able to enjoy a normal semester of hard study and exploration of Israel, and we don't believe that can be done in a way at the current time that's safe," Gee said.

Penn was criticized for its decision to terminate its program last spring, in the middle of the semester.

But Gee said those who blame the university for "backing down" in the face of terror are misguided.

"You don't play with students' lives by having that conviction," he said.