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TOP NEWS IN BRIEF

Bush calls for new leaders

President Bush called for a "new and different Palestinian leadership so a new Palestinian state can be born." In a much-anticipated speech Monday afternoon, Bush said the U.S. would back Palestinian statehood after the Palestinians "have new leaders and institutions." [Page 1]

Sharon: Massive assault planned

A helicopter strike in the Gaza Strip on Monday was the first step in a massive assault on Hamas targets there, Israeli Prime Minister Ariel Sharon said. Sharon made the statement after six Palestinians were killed and five wounded in the helicopter strike in southern Gaza.

The head of the Hamas military wing in the Rafah area, Yasser Rizek, and another three Hamas members were among the dead. Israeli officials said Rizek had helped plan suicide bombings in Israel and was involved in a recent attack on an Israeli army position in Gaza in which four soldiers were killed.

Israel surrounds Arafat HQ

Israeli soldiers again surrounded Yasser Arafat's headquarters in Ramallah on Monday. Soldiers and some 20 tanks took up positions around Arafat's compound where a bulldozer began fortifying barriers at the front gate. Israeli forces have besieged Arafat's compound on and off since last December. Along with its incursion into Ramallah, the army also took control of a refugee camp in the area.

As part of Israel's latest anti-terror operation in the West Bank, the army has taken over all the major Palestinian population centers, with the exception of Jericho, Army Radio reported.

Jewish Agency treasurer ousted

The treasurer of the Jewish Agency for Israel was ousted.

The decision to remove Chaim Chesler, which was made by the executive committee of the Jewish Agency's board of governors, came after Chesler made controversial remarks at the recently concluded 34th World Zionist Congress.

At the meeting, Chesler said he prefers an immigrant from the former Soviet Union who might not be Jewish according to Jewish law than "to someone who prays three times a day but stays in Brooklyn."

BEHIND THE HEADLINES

Jewish leaders generally pleased that Bush places onus on Palestinians

By Matthew E. Berger

WASHINGTON (JTA) — President Bush's call for a change in Palestinian leadership as a step toward Palestinian statehood is being praised by American Jewish leaders and analysts as "historic."

Some questioned how complete a road map Bush had laid out in his long-awaited Mideast policy speech Monday. But Jewish leaders generally issued a sigh of relief that Bush overwhelmingly had placed the onus on the Palestinians to prove their commitment to peace before any peace process could move forward.

"None of the Jewish community's anxieties were realized," said Abraham Foxman, national director of the Anti-Defamation League.

In the weeks before the speech, Jewish groups had been concerned that Bush would recommend the quick formation of a Palestinian state in hopes of inducing Palestinians to stop their campaign of violence against Israel.

Such a call, many Jewish groups warned, would be tantamount to rewarding terrorism rather than repudiating it.

On Monday, however, Bush presented a vision toward eventual Palestinian statehood that called for the ouster of the current Palestinian Authority leadership, fundamental reform in Palestinian institutions and a repudiation of the culture of violence and terrorism that the Palestinian Authority has tolerated — or, some would say, cultivated — since Yasser Arafat returned from exile in 1994.

While never mentioning Arafat by name in his speech, Bush made clear that he considers Arafat's removal from power a precondition to progress, a position that Israeli Prime Minister Ariel Sharon long has advocated.

"Peace requires a new and different Palestinian leadership so that a Palestinian state can be born," Bush said. "I call on the Palestinian people to elect new leaders, leaders not compromised by terror."

David Harris, executive director of the American Jewish Committee, described Bush's call to oust Arafat as "historic."

"For the leader of the world's leading superpower to explicitly call for the Palestinian people to change their leadership is almost unprecedented," Harris said.

The Bush administration "connected the dots," Harris said, about the Palestinian leadership's links to terrorism, after Israel provided extensive documentation of Arafat links to terrorist organizations, weapons-smuggling, payments to terrorists and financial support for the families of suicide bombers.

Throughout his speech, Bush repeatedly described the Palestinian Authority leadership as corrupt, venal and riddled with terrorism.

Bush called on the Palestinians to elect new leaders "not compromised by terror," and said that once violence ended, the United States would support a Palestinian state "whose borders and certain aspects of its sovereignty will be provisional until resolved as part of a final settlement in the Middle East."

"My vision is two states living side by side in peace and security," Bush said. "There is simply no way to achieve that peace until all parties fight terror."

Long into Bush's speech, he made a few demands on Israel: to pull the army back to its positions before the intifada began in September 2000, release tax money due to the Palestinian Authority and end settlement construction.

However, he made it clear that such steps would be demanded of Israel only after the Palestinians had reformed their government and made clear their willingness to

MIDEAST FOCUS

Hamas leader under house arrest

One person was killed during clashes that erupted Monday in the Gaza Strip after Palestinian police placed the spiritual leader of Hamas under house arrest. About 40 Hamas supporters threw stones and bottles at the police, who said they fired into the air to quell the crowd.

A Palestinian security official said Palestinian Authority President Yasser Arafat had issued the order to place Sheik Ahmed Yassin under house arrest.

Suspected bomber nabbed

Israeli security forces arrested a suspected suicide bomber Monday. A manhunt was launched after the Shin Bet domestic security service issued a warning that a suicide bomber was in the Beit Shemesh area.

No weapons or explosives were discovered in the car in which the suspect and four other Palestinians were apprehended, Israel Radio reported.

Israeli interest rates raised

The governor of the Bank of Israel announced a 2 percent interest rate hike. Monday's move by David Klein was the third rate hike in a month.

The increase is aimed at restoring public confidence in the economy and stability in the currency markets amid the continuing devaluation of the shekel.

Massacre info stays classified

Israel's Cabinet voted to keep classified the secret appendix to an inquiry into the 1982 massacres at the Sabra and Shatila refugee camps.

Prime Minister Ariel Sharon, who was found to bear indirect responsibility for the massacre, had argued that the appendix should be released, the Jerusalem Post reported. He was one of three ministers who abstained in Sunday's 9-7 vote, which keeps the appendix classified for at least another five years.



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coexist peacefully. Pressure was placed on Arab states to end incitement against Israel, to denounce terrorist actions, and to stop transferring funds and equipment to terrorist organizations targeting Israel.

Bush also pledged additional humanitarian and financial aid to the Palestinians, from both the United States and international monetary groups.

Analysts saw the speech as the long-term vision for the Middle East that had been absent since the Oslo peace process collapsed at the end of 2000. Since Bush took office last year, many believed that his administration was handling situations on the fly, without a clear game plan.

"He has essentially created a post-Oslo framework," said David Makovsky, senior fellow at the Washington Institute for Near East Policy. "He is making it clear that Palestinian aspirations for statehood are intertwined with reform and security."

In the weeks before the speech, Arab leaders had pressed Bush to set forth a deadline by which a Palestinian state would be established. Jewish and Israeli leaders, on the other hand, called instead for benchmarks that would be used to judge Palestinian performance.

Bush's eventual speech clearly sided with Israel's call for a performance-based plan, while mentioning that if the Palestinians were vigorous in their reforms, the process should be completed within three years.

At the end of that time, however, the Palestinians would have only "provisional" statehood, with borders and certain aspects of their sovereignty to be defined in negotiations with Israel. That was another disappointment for the Palestinians, who had wanted Bush to back their demand for a state in all of the West Bank and Gaza Strip.

Instead, Bush backed Israel's interpretation of crucial U.N. Security Council Resolution 242, which does not call for a complete Israeli withdrawal from land seized in the 1967 Six-Day War. Instead, it calls for a withdrawal to "secure and recognized" borders that the two sides would negotiate.

Malcolm Hoenlein, executive vice chair of the Conference of Presidents of Major American Jewish Organizations, said the European Union, Russia, the United Nations and others could no longer accuse the United States of not playing a leadership role, and blame Israel for the plight of Palestinians.

"It's not a reward for terrorism but a reward for the end of terrorism," Hoenlein said. "It's holding out hopes for a provisional arrangement and the ultimate possibility of a state, but conditioned on performance and meeting requirements."

Yet analysts say question remain about the plan's implementation.

"What's the follow-through?" asked Ted Mann, former president of the Israel Policy Forum and past chair of the Conference of Presidents of Major American Jewish Organizations.

Bush noted that Secretary of State Colin Powell would "work intensively" with international leaders, there was no discussion of a new high-level trip to the Middle East or an international summit, which were both anticipated.

A senior administration official told Jewish leaders Monday that garnering international support would be key to implementing the president's plans, and that Powell soon would begin coordinating positions with Europe and Russia.

Stephen Cohen, a national scholar for the Israel Policy Forum, said the three-year time frame that Bush envisioned toward a Palestinian state is a "good goal line."

"We need far more direct American engagement in order to meet that goal," said Cohen, who joined Arab American leaders Monday in calling for a more active U.S. role in resolving the conflict.

Despite the widespread support for the speech, some Jewish officials and analysts were concerned.

Bush's speech was "dead on arrival" and was "the most foolish speech by an American president on the Middle East," Middle East analyst Daniel Pipes said.

Pipes said he did not believe the notion that Arafat is the cause of all of the Palestinians' problems, and that reforming the Palestinian Authority would lead to peace.

He also called backing for a Palestinian state a "reward for terrorism."

"It's a very mischievous speech," said Pipes, the director of the Middle East Forum. "It says to the Palestinians that what you have done has won you concessions from the United States." □

JEWISH WORLD

CNN exec denies anti-Israel bias

CNN's chief news executive denied claims of an anti-Israel bias in the network's coverage of the Middle East. The network dispatched Eason Jordan to Israel amid threats from cable and satellite television companies to cease broadcasting CNN because of its alleged bias. Jordan said Sunday that the network seeks to provide fair and balanced coverage, though he admitted that some mistakes had been made. Among them, he said, was the decision to give air time to the families of Palestinian suicide bombers.

CNN was due to begin airing a special series on Israeli victims of terrorism on Monday. Promos for the series appeared in Israeli newspapers.

Synagogue torcher beats guard

A white supremacist who torched three California synagogues in 1999 allegedly fractured a jail guard's skull during a failed escape.

Benjamin Matthew Williams attacked the guard with a handmade weapon Saturday during the attempted escape with another inmate.

Prison officials believe Williams and the other inmate were planning to take the guard hostage, but other guards responded to the beaten guard's calls for help, according to The Associated Press.

Williams and his brother, James Tyler Williams, are serving 30- and 21-year sentences, respectively, for the arsons at the synagogues near Sacramento, Calif.

They are still awaiting trial on charges they killed a gay couple in 1999.

Phantom patrols in Brooklyn?

A Brooklyn's rabbi's vow to put armed patrols on the streets apparently failed to materialize.

Repeating a vow he made several weeks ago, Rabbi Yakove Lloyd said some 50 followers would patrol Jewish neighborhoods in Brooklyn on Sunday night.

Lloyd had said his patrols would meet at two Brooklyn street corners, but the only people who arrived Sunday night were reporters, police, community leaders and curious residents. Nonetheless, Lloyd said Monday the patrols had gone ahead as scheduled.

Mother of Israeli MIA dies

Batya Arad, the mother of captured Israeli air force navigator Ron Arad, died Sunday at 68. Batya Arad was a tireless campaigner to rescue her son.

Ron Arad was captured by the Amal militia after bailing out during a mission over Lebanon in October 1986. Amal handed Arad to Hezbollah, which apparently gave him to Iran.

His whereabouts have not been known for years, and it is not clear if he is still alive. Batya Arad, an educator, donated her body to science.

In Netherlands, bank head's wife launches Palestinian flag campaign

By Elise Friedmann

AMSTERDAM (JTA) — Palestinian flag sales are booming in the Netherlands, as pro-Palestinian groups prepare for a "National Palestinian Flag Day."

The June 30 event is the latest development in a flag war that began on a quiet, leafy Amsterdam street.

Gretta Duisenberg, wife of European Central Bank President Wim Duisenberg, started the flag-mania by hanging a Palestinian flag from her balcony for about six weeks. Duisenberg bought the flag on the Internet and first brandished it at a pro-Palestinian demonstration in Amsterdam on April 13 that also featured swastikas. She began hanging the flag from her balcony after the rally.

Because of a tree in front of the house, it was difficult to see the flag — except for the Van der Wiekens, a Jewish couple living diagonally opposite.

The wife, Rosa van der Wieken, is a member of the Amsterdam City Council.

After looking at Duisenberg's flag for about five weeks, the Van der Wiekens family asking her to remove it because some might consider the Palestinian flag as a representation of terror.

In an ensuing phone call, Duisenberg told Van der Wiekens it was "the rich Jews" who enabled Israel to continue the "colonial oppression of the Palestinian people," Ron van der Wiekens said.

The Jewish couple went to the media, and the piece caught the eye of local lawyer Herman Loonstein, chairman of a small group called Federative Jewish Netherlands.

Loonstein filed a formal complaint with an Amsterdam city court, accusing Duisenberg of anti-Semitism and incitement.

"Hanging out a flag is not against the law, but these statements are," he said.

That very same day, Duisenberg's husband came home from the European Bank's headquarters in Frankfurt, quietly removed his wife's flag from the balcony and returned to Germany.

Meanwhile his wife called in to a popular Dutch talk show, claiming she never said anything about rich Jews. She "merely" had said it was "the rich Jewish lobby in America" that is perpetuating Israel's injustice against the Palestinians, she claimed.

Loonstein had told a journalist he would ask the World Jewish Congress to investigate the possibility of declaring Wim Duisenberg persona non grata in the United States.

The WJC declined to get involved in the matter, but Duisenberg and the Dutch media quickly interpreted Loonstein's remark to mean that a New York-based Jewish group was threatening to ban Wim Duisenberg from the United States.

Since then, the flag that flew at the Duisenbergs has been passed from supporter to supporter and flown from houses and apartments throughout the Netherlands.

The local Palestine Committee did brisk business selling flags to sympathizers wanting to back Duisenberg. The group says it can hardly handle the demand for flags as June 30 nears.

Support for the Palestinians, who generally are portrayed as oppressed by Israel, is high in the Netherlands, as it is throughout Europe.

Support has grown since April, when European media trumpeted Palestinian accusations that Israel carried out a "massacre" of civilians in the Jenin refugee camp.

A sprinkling of Israeli flags appeared in response. Most quickly came down after the owners had their windows smashed with stones or insults hurled at them from the street.

Meanwhile, the complaint against Duisenberg has largely been forgotten. Most expect it to be dismissed. The Jewish community generally blames the media hype of the incident on Loonstein's decision to go to court.

The community by and large is choosing to ignore the flag-mania, for fear that overreacting will increase the real anti-Semitism surfacing in the Netherlands in recent months.

"Using an anti-Semitic cliché doesn't necessarily make one an anti-Semite," said Harry van der Bergh, a member of the Netherlands' central Jewish organization. □

BEHIND THE HEADLINES**As Israelis deal with terror, they get Bush's predicament**

By Matthew E. Berger

TEL AVIV (JTA) — In the eyes of many Israelis, the man who holds the cards for their future is on another continent.

On the streets of Israel's major cities, President Bush is seen as a strong ally. Israelis say they empathize with the complex challenges facing his foreign policy team in trying to create a new framework that will drag the Middle East away from violence and toward peace.

Even before Bush's overwhelmingly pro-Israel speech on Monday — in which he essentially backed Prime Minister Ariel Sharon's demand that Palestinian Authority President Yasser Arafat be replaced before any peace process could resume — Israelis expressed a clear feeling that Bush was doing the best he could to support Israel.

While Israelis do sometimes express frustration with Bush's decisions concerning the Middle East — for example, his occasional criticism of Israel's military strikes against terror — Israelis seem to understand that the president has to juggle many balls when making policy.

"I think President Bush is very supportive," said Ran Partock, a resident of French Hill in Jerusalem, the site of a suicide bombing on June 19. "I have been quite surprised."

Many Israelis understand American politics almost as well as their own, and are able to rattle off the factors Bush has to deal with in policy-making. Among them are pressure from Arab leaders and Europe, which seek a more pro-Palestinian policy; conflict within the administration over how much effort to expend on the Israeli-Palestinian conflict amid the international war on terrorism; and concern that Bush not follow the path of his predecessor, Bill Clinton, who risked a great deal of personal prestige in trying to forge Israeli-Palestinian peace, only to come up empty-handed.

Because of those factors, Bush's policy on the Middle East has been hard to gauge. He came to office in January 2001 seeking to avoid deep involvement in the conflict, hoping to focus his attention on a possible war against Iraq.

As Israeli-Palestinian violence spiraled out of control, Bush was forced to get involved, but has been unable to break the deadlock between the two sides.

In a year and a half in office, Bush has sent numerous envoys to the region, including retired Marine commander Anthony Zinni, Secretary of State Colin Powell and Vice President Dick Cheney.

He became the first president to call officially for a Palestinian state, issuing the call at last year's opening session of the United Nations, and has called on Israel to show restraint in its retaliation for terror attacks and for the Palestinian Authority to reform its institutions.

Israelis say they think Bush means well.

"He's doing the best he can," said Dov Sydney, a Tel Aviv resident. "He goes as far as he can go to help Israel, without crossing the line."

One frustration Israelis express is the sense that the White House has lacked a fully developed plan. Some believe that the dissension within the government comes because the administration has no long-term vision for the Middle East, but deals with

developments on an ad-hoc basis. "We need to know what he intends to do," said Rina Zedek, sitting in a Tel Aviv cafe. "We keep being told what not to do and what to do, but without knowing what we are going to have to do in the long run."

On Monday, she got her answer.

In a long-awaited enunciation of his Middle East policy, Bush strongly backed Sharon's approach that a change in Palestinian leadership and governing institutions is a prerequisite for progress toward peace.

"Peace requires a new and different Palestinian leadership so that a Palestinian state can be born. I call on the Palestinian people to elect new leaders, leaders not compromised by terror. I call upon them to build a practicing democracy based on tolerance and liberty," Bush said.

"And when the Palestinian people have new leaders, new institutions and new security arrangements with their neighbors, the United States of America will support the creation of a Palestinian state whose borders and certain aspects of its sovereignty will be provisional until resolved as part of a final settlement in the Middle East," he continued.

If anyone has the stature to break the bloody status quo in the region and move toward peace, it is the American president, Israelis say.

"He has all the power," said Yair Salzman, a taxi driver in Jerusalem. "He can help us more than all the rest of them put together."

Many here have resigned themselves to the eventual existence of a Palestinian state, and do not criticize Bush for saying it out loud.

Before Bush's speech, Israelis were divided over whether giving the Palestinians a state now, in order to give them a "reason" to end violence, would be seen as some kind of payoff for terrorism.

Others say the immediate formation of a state would make Israel's life easier, because the Palestinians would lose their argument for why they can't help but resort to terrorism.

Violence might continue, but Israel would be able to deal with it on a state-to-state level — reducing the imbalance that has been so important in building international sympathy for the Palestinians. In addition, the Palestinians presumably would have to take more responsibility for their success or failure as a nation, and would find it more difficult to blame Israel for their own shortcomings.

In the meantime, the strongest criticism on the street is directed toward Sharon.

Though Sharon receives strong support in the polls, there is some level of frustration over his policies, from both political directions. Some right-wingers say Sharon is not doing enough to confront terrorism, while those on the left say he is not doing enough to pursue chances for peace.

Sharon's latest policies — the construction of a fence near the Green Line to help keep potential terrorists out of Israel, and Israel's military incursions in the West Bank — have strengthened his support among hard-liners.

And those who want a "political horizon" say they understand the rationale for the military and security moves, but hope they don't set a bad precedent for dealing with the Palestinians.

"We cannot run away from them, they live next door," said Dana Keder, walking toward the beach in Tel Aviv. "We need to protect ourselves, but be smart." □