



# Daily News Bulletin

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86th Year

## TOP NEWS IN BRIEF

### **Bush: It's the 'road map,' stupid**

President Bush reiterated his commitment to the "road map" for peace at a Chanukah meeting with Jewish leaders.

In an hourlong meeting with about 20 Jewish leaders Monday, Bush said he is committed to the U.S.-led peace initiative, which envisions an end to terror and a Palestinian state by 2005.

He spoke of his closeness to Israeli Prime Minister Ariel Sharon.

Referring to Sharon's recent pledge to establish Israeli borders on the West Bank unless the Palestinians crack down on terrorists, Bush said he understands Israel's need for security, but said the road map remains the basis for U.S. policy.

The U.S.-led war on terror, the war in Iraq and the Iranian threat were also discussed at the meeting.

### **Egyptian envoy attacked**

Palestinians attacked Egypt's foreign minister when he tried to pray at Jerusalem's holiest mosque.

A convoy rushed Ahmed Maher to Jerusalem's Hadassah hospital Monday after he was attacked at the Al-Aksa Mosque on Jerusalem's Temple Mount. Religious Muslims are the guards inside the mosque compound.

Police said protesters threw shoes at Maher, who then felt shortness of breath. Maher was in Israel for discussions with Israeli leaders about resuming peace talks with the Palestinians.

### **Two Israelis killed**

Two Israeli soldiers were killed in the Gaza Strip and another wounded in the West Bank.

The two were killed by a grenade and gunshots Monday as they traveled in a jeep near the Kissufim checkpoint in southern Gaza. Israeli soldiers responded with gunfire that wounded four Palestinians, the Israeli daily Ha'aretz said. Also, an Israeli border policeman was wounded slightly in a shooting on a West Bank road.

The Al-Aksa Brigade, linked to Yasser Arafat's Fatah movement, and Islamic Jihad took credit for the attacks.

The JTA DAILY NEWS BULLETIN will not be published Friday, Dec. 26.

## **Ford takes steps to reverse funding for anti-Israel groups**

*By Edwin Black*

WASHINGTON (JTA) — The Ford Foundation has taken its first steps to fulfill a pledge made last month to reverse its funding for organizations engaged in anti-Israel agitation.

In the pledge to U.S. Rep. Jerrold Nadler (D-N.Y.) and a group of Jewish organizations, Ford president Susan Berresford promised immediately to stop funding the Palestinian Society for the Protection of Human Rights, also known as LAW.

LAW was widely credited with helping orchestrate the anti-Israel and anti-Jewish debacle at the September 2000 U.N. World Conference Against Racism in Durban, South Africa. The pledge followed revelations in a special four-part JTA investigative series, "Funding Hate."

Ford's move against LAW funding comes as the former executive director of LAW, Khader Shkirat, is the subject of legal action. Four European countries and the European Union have filed a criminal complaint against him for allegedly misappropriating donor funds.

Ford confirmed its action against LAW last week.

Ford's vice president of communications, Alex Wilde, said in a letter, "The Ford Foundation has notified LAW of its decision to cease funding and to demand return of its unspent grant funds."

LAW officials in Jerusalem confirmed that last month they received notification from Emma Playfair, Ford's representative in Cairo, that further expenditures of foundation monies were not authorized and that the unspent balance was to be returned.

Wilde stated that the foundation also has notified some 30 other LAW donors that it had suspended the organization's funding.

LAW officials said it was "unclear" whether they would return the Ford money. They said it was the organization's prior management that was at fault, and that the group had tried to delete offensive language from its materials.

For example, a LAW executive said, "We had on our Web site a report about Durban, and it was an unfair report and gets off the topic, which is human rights. We removed it in October."

Wilde ruled out the possibility that LAW could obtain monies via the Palestinian NGO Network, which Ford also funds. LAW is a member of PNGO, which also was identified as organizing anti-Jewish and anti-Israel activities at Durban.

PNGO itself is still advocating a global boycott of Jewish academics from Israel, according to a page of the Palestinemonitor.com Web site viewed last week.

Wilde did not respond to specific questions about the PNGO boycott campaign.

But he did say that like all other Ford grantees, future funding to PNGO "will be subject to our new and expanded worldwide program of grantee audits, our continuing investigation into the events surrounding the Durban conference, and new grantee contract language that prohibits any organization receiving Foundation funds from promoting or engaging in violence, terrorism, bigotry, or the destruction of any state."

Meanwhile, governmental aid agencies in Norway, Denmark and Ireland, as well as the Swiss Foreign Ministry and the European Union, filed a criminal complaint against Shkirat and some 27 other individuals associated with the alleged misappropriation of funds, according to Mazen Qupti, a Palestinian attorney representing the five European entities in their complaint.

The complaint was submitted to prosecutors on Dec. 15, Qupti said. In a separate

## MIDEAST FOCUS

### Elite peaceniks refuse to serve

Thirteen reservists from Israel's top commando unit face dishonorable discharges for refusing to serve in the West Bank and Gaza Strip.

Veterans of the Sayeret Matkal, including Finance Minister Benjamin Netanyahu and former Prime Minister Ehud Barak, were united Monday in attacking the decision by the 13 soldiers.

In a letter to Prime Minister Ariel Sharon made public Sunday, the signatories said they would no longer support the "settler crusade," and called Israel's actions against the Palestinians "dehumanizing." "I signed up to defend Israel, but that is not what we have been doing," one of the signatories, identified only as Sgt. Zohar S. for security purposes, told Channel One Television.

### Up, up and away

El Al's profit is up 40 percent from this time last year. The Israeli national air carrier said its net third-quarter profit jumped from nearly \$43 million in 2002 to \$61 million in 2003, while passenger revenue was up 6.6 percent to \$370 million.

Nira Dror, vice president and general manager for El Al in North and South America, said the increase stems from a general rise in tourism to Israel, better El Al services and reduced spending by the company.

### Groups: Bans hurt Palestinians

Israeli travel restrictions on Palestinians are dangerous to Palestinian health, two human rights groups said.

The Israeli group B'Tselem and Physicians for Human Rights said Israeli travel restrictions, including checkpoints, are disrupting every aspect of Palestinians' lives, and that at least 38 Palestinians have died as a result of delays, the Israeli daily Ha'aretz said. Israel calls the restrictions necessary for anti-terror security.



## Daily News Bulletin

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action, LAW's current executive staff, which is trying to distance the group from the organization's prior conduct, filed a civil lawsuit against Shkirat and two other individuals for mismanagement of funds donated by Ford and various European agencies, according to LAW's attorney, Mousa Kurdi.

Palestinian sources said they were unsure whether Palestinian prosecutors would pursue the politically well-connected Shkirat. He is a prominent attorney and activist who represents Marwan Barghouti, the West Bank Fatah leader who is on trial in Israel for allegedly masterminding terror attacks that killed dozens of Israelis.

"I believe it depends on what the Palestinian Authority wants," said a Palestinian attorney representing European donors. "If the Palestinian Authority really wants to arrest the right people — it will happen quickly. But if they do not, then the investigation will take a long time, and then not much will happen."

An Ernst & Young official in the United States said Qupti's office had asked for documentation supporting the firm's 60-page investigative audit of LAW's finances. That report, which was issued in March, concluded that about 40 percent of LAW's \$9.2 million in foreign charitable funding had been diverted and misappropriated.

Ernst & Young told Qupti that it would only release the documentation with a subpoena to do so, according to an American Ernst & Young source.

Although Ford was a major donor, the foundation has not joined the European criminal complaint. But Ford's Wilde said the foundation would cooperate with government inquiries about this case.

Wilde also confirmed that Ford previously had suspended a \$60,000 individual grant extended to Shkirat in September 2001 to support his participation in a Harvard University human rights program.

He said that grant was made a year before accounting issues surfaced that led Ford and other donors to commission an audit of LAW's finances. When Shkirat failed to complete the Harvard academic program, Ford placed him on a list of people prohibited from receiving foundation funds and recovered the unspent funds from the individual grant.

Efforts to contact Shkirat were not successful.

Meanwhile, in the Jewish community and in the U.S. Congress, opinions were split over whether Ford had done enough to reverse its multimillion-dollar funding of anti-Israel agitation and whether a congressional investigation should proceed. Nadler's administrative aide, Brett Heimov, said that the Ford Foundation "should be given a chance to correct their mistakes before a full and complete investigation takes place."

Mortimer Zuckerman, past chairman of the Conference of Presidents of Major American Jewish Organizations, and one of the leaders who consulted with Ford officials, agreed. "They should have a reasonable time deadline to deal with these issues and be very transparent," he said. "If they do so, fine. If not, we should seek another approach. For now, I think they are making a good-faith effort and should be taken at their word until proven otherwise."

Abraham Foxman, national director of the Anti-Defamation League, agreed.

"At this time, I don't believe a full-scale investigation is warranted," he said. "The Ford Foundation is looking into its operations and has made commitments for change. I think we should let that go forward."

But executive director of the American Jewish Congress, Neil Goldstein, said that while he thought Nadler should be praised for going forward, "that should not preclude us looking back to see what went wrong and see who was to blame — particularly so, given the fact that Ford hands out more foreign aid than a nation the size of Canada."

Malcolm Hoenlein, executive vice chairman of the Conference of Presidents, said, "I'm in favor of not letting the process drop."

"This experience has shown us that foundations can allocate their funds to support activities that are against American interests and promote extremist expressions such as we saw at Durban. Therefore, any investigation should include more than just the Ford Foundation, but also others," Hoenlein said.

U.S. Sens. Rick Santorum (R-Pa.) and Charles Grassley (R-Idaho) have insisted that a complete investigation of Ford still is needed.

Last week, Santorum's spokesman, Robert Trayham, said, "As of today, Sen. Santorum still stands for a full and complete investigation." □

## JEWISH WORLD

### Bush honors soldiers

President Bush invoked the sacrifice of U.S. servicemen and servicewomen at a White House Chanukah ceremony.

"We pray for the brave men and women of our armed forces, many of whom are spending the holiday season far from home and their loved ones," Bush said at Monday's ceremony in the Booksellers Room.

Two Jewish Marines joined by their 6-year-old sons led the candle-lighting ceremony, which featured a 200-year old menorah from Chicago's Spertus Collection.

### Reform makes poverty a priority

The Reform movement called on President Bush and Congress to make fighting poverty a top priority.

"Addressing hunger and homelessness requires us to address its root causes: unemployment, low-paying jobs and high housing costs," said Rabbi Marla Feldman, the director of the Commission on Social Action of Reform Judaism.

A U.S. Conference of Mayors report published last week showed a sharp spike in requests for assistance and shelter.

### Muslim blasts suicide bombings

Indonesia's former president criticized Palestinian suicide bombings.

Abdurrahman Wahid made his comments Sunday at an interfaith gathering in Jerusalem sponsored by the Rev. Sun Myung Moon, The Associated Press said.

### Lieberman looks to Santa

Sen. Joseph Lieberman (D-Conn.) asked Santa Claus for a good finish in the New Hampshire presidential primary.

"I don't know if that was totally presidential, but it seemed like the right thing to do," the Jewish Democratic presidential candidate said Sunday after climbing into Santa's lap at the Old Salt Eating and Drinking Place in Hampton, N.H.

He told Santa he wants "a better-than-expected finish in the New Hampshire primary." Lieberman is fourth in polls in the United States' first primary, set for Jan. 27.

### An Elvis miracle

A U.S. synagogue used an Elvis Presley impersonator and Presley's songs to retell the Chanukah story.

The program at Beth Sholom Synagogue in Memphis, Elvis' hometown, featured students from the local Solomon Schechter Day School singing "Blue Suede Jews" and "Heartbreak Kotel," a reference to Jerusalem's Western Wall, The Associated Press reported.

## BEHIND THE HEADLINES

### Israel relieved at Libyan move, braces for pressure to follow suit

By Gil Sedan

JERUSALEM (JTA) — Libya's announcement that it would end its capacity for developing weapons of mass destruction brought both relief and concern to Israel: relief that an implacable enemy was apparently moderating its outlook, concern that Israel would come under pressure to end its own reported nuclear capability.

After nine months of secret negotiations with Britain and the United States — and years of crippling sanctions — Libya announced last Friday that it welcomed international inspections and pledged to destroy whatever capabilities it had.

President Bush said the agreement would bring Libya back into the "community of nations."

In agreeing to sign what is known as the additional protocol of the Nuclear Nonproliferation Treaty, Libya must now allow for tougher, short-notice visits of nuclear sites by officials from the International Atomic Energy Agency.

Iran signed the same protocol last week.

It is believed that Libya does not have atomic bombs, but was close to developing a nuclear weapons capability.

Addressing the Herzliya security conference last week, Defense Minister Shaul Mofaz said, "An eye must be kept on Libya."

The United States and Israel have been discussing Libya's nuclear program since May 2002. On a number of occasions, Prime Minister Ariel Sharon warned that Libya might become a nuclear power even ahead of Iran.

The good news from Libya won praise around the world. Even Israel, usually cautious about Arab peace overtures, joined the choir. Foreign Minister Silvan Shalom praised the move at the weekly Cabinet session.

Mofaz was more reserved, taking a "wait-and-see" approach, and gave the credit for the Libyan action to "American determination and the capture of Saddam Hussein."

Mofaz used the opportunity to point at what Israel perceived as the real threat in the region — Iran.

"Iran's agreement for inspections does not mean that it has given up its nuclear project," said Mofaz.

Israel is concerned that while the United States was concentrating its efforts on preventing Russian nuclear aid to Iran, Iran had quietly equipped itself with equipment and know-how from another nuclear power — Pakistan.

Still, the Israeli intelligence community was relieved. "The very fact that Libya will stop dealing with ballistic and strategic weapons as well as nuclear threats means a serious load off the strategic threat over Israel," said retired Maj. Gen. Yitzhak Ben-Yisrael, a former army intelligence official now at Tel Aviv University.

Libya already had signed the Nuclear Nonproliferation Treaty, but the United States suspected that Libya was determined to find ways to build the bomb.

So why the change of course? Yehudit Ronen of the Dayan Center at Tel Aviv University suggested that Libyan leader Muammar Gadhafi had realized that the only way to preserve his regime is to drastically improve his country's economy.

Such improvement is not possible without removing the economic sanctions imposed on Libya and renewing normal relations with the United States.

Gadhafi's concession was the latest stroke in a picture of a new, less threatening neighborhood for Israel.

Iraq's strategic threat has been defused, Iran has also accepted international supervision over its nuclear programs and Syrian President Hafez Assad is suggesting a return to the peace table.

Israelis were nonetheless braced for new pressures to sign on to the nuclear treaty.

Egyptian President Hosni Mubarak was quick to demand that Israel, too, give up its alleged nuclear potential. Mubarak's foreign minister, Ahmed Maher, visiting Jerusalem this week for the first time in two years, was expected to raise the issue in his talks with Israeli leaders. □

## NEWS ANALYSIS

**After headlines, more questions than answers about Sharon's plans***By Leslie Susser*

JERUSALEM (JTA)—Ariel Sharon's major policy statement at the Herzliya security conference last week may have made world headlines, but it's far from clear what the Israeli prime minister has in mind.

Sharon called on Palestinian leaders to open negotiations with Israel and threatened unilateral steps if they don't, but he did not spell out those steps. In fact, Sharon's long-awaited Dec. 18 speech, in which he broached the possibility of a unilateral Israeli pullback from the West Bank and Gaza Strip, raised more questions than it provided answers.

For example, does Sharon envision a major Israeli withdrawal and a large-scale evacuation of Jewish settlements? Or will the pullback be minimal, with few settlements evacuated and the Palestinians surrounded on all sides by security fences?

Will Sharon be able to get American support for his new policy? Will he listen to the Israel Defense Forces or to the Shin Bet security service, which are urging him to go in opposite directions?

Will he actually be able to dismantle dozens of settlements, assuming he wants to? And what are the likely political ramifications in Israel?

Local pundits give two very different readings of the prime minister's intentions.

According to one reading, Sharon's plan is to redeploy Israeli forces behind the security fence being built between Israel and the West Bank, and to "relocate" dozens of Israeli settlements from the Palestinian to the Israeli side.

According to this scenario, the fence would be no more than a temporary security line, and the Palestinians would have the option of coming back to the negotiating table at any time to set final borders.

But there is another, widely divergent reading — that Sharon intends to complete a second, "eastern fence," along the Jordan Valley, enclosing the Palestinians between the two fences on about 50 percent to 60 percent of the West Bank. Under this scenario, Israel would retain the Jordan Valley as a buffer zone between the Palestinian entity and Jordan.

Whether the Palestinians have territorial contiguity or only contiguity of movement will depend on which way Sharon goes.

The IDF's Central Command, responsible for the West Bank, has drawn up a contingency plan called "Everything Flows," in which a system of bridges, tunnels and bypass roads provides the Palestinians with freedom of movement, without full territorial contiguity.

Whether Sharon gets American support will depend on which plan he adopts. The United States insists that Israel do nothing to undermine President Bush's vision of a viable Palestinian state. That would seem to rule out support for the eastern fence plan.

Sharon has said that whatever he does will be coordinated with the United States. Indeed, there is nothing more important in his foreign policy doctrine than Israel's U.S. ties. Therefore, it's hard to see Sharon pressing for the eastern fence scenario.

On the other hand, for years Sharon has been carrying around

a map based on "Israeli interests" which, like the eastern fence scenario, leaves the Palestinians with no more than 60 percent of the West Bank. If the post-withdrawal lines seem to correspond to Sharon's "Israeli interests" map, suspicion will grow that he is trying to impose a permanent arrangement on the Palestinians based on a minimal Israeli withdrawal.

The IDF, however, is urging Sharon to be generous with the Israeli withdrawal. The army's planning branch, under Maj. Gen. Giora Eiland, has presented Sharon with an ambitious plan leading to the establishment of a Palestinian state with temporary borders.

The IDF is urging Sharon to show the Palestinians and the international community how serious he is by handing over West Bank cities to the Palestinian Authority — a process that until now has been conditional on Palestinian willingness to fight terrorism — as soon as possible.

The army also is advising Sharon to lift roadblocks and allow free movement between Palestinian cities, even at the risk of more terrorist attacks against Israel.

The IDF's argument is that if such moves are not reciprocated by the Palestinians, the world will be much more understanding of a subsequent, unilateral Israeli move. If the moves are reciprocated, then a negotiated settlement could be in the cards.

But there also are other, opposing voices in the Israeli defense establishment. The Shin Bet is urging Sharon to proceed very carefully and not hand over cities or lift roadblocks until Palestinian terrorism stops.

The Shin Bet argues that the Palestinians are doing nothing to combat terrorism. These officials say that a devastating Oct. 4 suicide bombing in a Haifa restaurant may have been the last major terrorist attack, but only because Israeli forces have succeeded in foiling 26 suicide bombing attempts since then.

Perhaps the biggest question for Sharon is whether he will be able to relocate dozens of Jewish settlements.

So far, the government has not set up a team to negotiate with settlers over compensation or alternative housing. Even if it does, the right-wing, ideological settlers — as distinct from those who moved to the settlements for lifestyle reasons or because of government financial incentives — are unlikely to cooperate.

Sharon also can expect opposition from within his own Likud Party and from the far right. As soon as a relocation program goes into effect, the National Religious Party and the National Union are expected to quit the governing coalition, and some Likud lawmakers will stop automatically supporting the government.

Eleven of the Likud's 40 caucus members already have signed a petition demanding that any settlement relocation first be authorized by the caucus. Others are pressing for a full-scale debate on Sharon's new policy at next month's party convention.

The immediate test for Sharon will be whether he can pass the 2004 budget by the end of the year.

Of course, all the unilateral arguments would become irrelevant if Palestinian Authority Prime Minister Ahmed Qurei were to come to the table and negotiate a deal with Sharon on the basis of the internationally backed "road map" peace plan.

But few on the Israeli side, including Sharon, believe that will happen. That leaves the two key, and so far unanswered, questions: Which unilateral plan will Sharon adopt, and will he have the political support to implement it? □

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