IN THE NEWS

AMIA attack commemorated

Thousands of people gathered in Buenos Aires to mark the 10th anniversary of the bombing of the AMIA Jewish center.

Eighty-five people were killed and 300 people injured in the July 18, 1994 attack, which remains unsolved. [Story, p. 3]

House passes Israel aid package

The U.S. House of Representatives agreed to a \$2.58 billion aid package for Israel.

Lawmakers on July 15 passed the Foreign Operations Appropriations Act by a 365-41 vote.

The act includes \$360 million in economic aid and \$2.2 billion in military aid for the Jewish state.

Earlier in the day, the House rejected a measure to restructure aid to Egypt by converting \$570 million in military aid to economic aid.

Another amendment, which would have withheld aid to Palestinians in the West Bank and Gaza Strip until they abandon terrorism, was withdrawn.

The bill now moves to the Senate, which is not expected to take it up until after the summer recess.

Bill would nix aid to Saudi Arabia

The U.S. House of Representatives passed an amendment that would cut off foreign aid to Saudi Arabia.

Sponsored by Rep. Anthony Weiner (D-N.Y.), the amendment seeks to pressure Saudi Arabia to intensify its anti-terrorist efforts.

Weiner said the bill was prompted by the fact that the U.S.-Saudi Joint Terrorist Financing Task Force has produced no public arrests or prosecutions.

No Saudi donors to terrorist groups have been punished.

The amendment to the Foreign Operations Appropriations Act would cancel just more than \$1 million in foreign aid to the country.

WORLD REPORT

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As Gaza security disintegrates, Arafat faces dissent from within

By DAN BARON

EL AVIV (JTA) — After years of conflict with Israel, Yasser Arafat now faces what is perhaps an even tougher challenge to his political survival: a Palestinian people increasingly — and, in some cases, violently — unhappy with his handling of the Palestinian Authority.

Arafat declared a state of emergency in the West Bank and Gaza Strip on Sunday after a weekend of standoffs with armed Palestinian anti-corruption vigilantes, abductions of foreigners and a shake-up of his security services.

Complaining of an unprecedented state of chaos, Palestinian Authority Prime Minister Ahmed Qurei resigned.

Arafat rejected Qurei's resignation.

But by following in the footsteps of his predecessor, Mahmoud Abbas, who quit last summer after complaining of Arafat's interference in his peacemaking efforts, Qurei brought scrutiny ever closer to the Palestinian leader and his years of unchallenged rule.

There was quiet satisfaction in Jerusalem, which has long lobbied to persuade the world that Arafat, rather than Israel, was the Palestinians' worst enemy.

"What is happening in the Palestinian Authority proves that all the contrived efforts to show there is someone to talk to on the Palestinian side are motivated by personal interests and are unrealistic," Prime Minister Ariel Sharon told his Cabinet on Sunday.

The disintegration of security comes as Israel prepares to withdraw from Gaza next year.

For the second day in a row, Palestinians on Sunday rallied in the streets against Arafat's appointment of his cousin, Mousa Arafat, to head Palestinian security forces in Gaza.

The move is being widely seen as an example of cronyism.

In Khan Yunis in Gaza, scores of gunmen from Fatah, a Palestinian faction dominated by Arafat supporters, torched the local offices of the P.A.'s military intelligence force.

On Saturday night, the Al-Aksa Brigade, a Fatah wing that has been active in terrorism against Israel, attacked a Palestinian post in the Gaza Strip as controversy over Yasser Arafat's security moves intensified.

Officials from the Palestinian Authority joined in the protests.

Sufyan Abu Zaida, a Palestinian deputy Cabinet minister, said Mousa Arafat is considered one of the most corrupt officials in the P.A., and the commander of the Palestinian naval forces submitted his resignation Sunday in protest.

Palestinians will not accept the nomination, and unrest in Gaza will grow, Abu Zaida told Israel Army Radio.

"This is infuriating," Abu Zaida said. "This shows disregard for people and their opinions."

The uproar over Mousa Arafat came after the police chief in Gaza, Ghazi Al-Jabali, was kidnapped last Friday by a previously unknown group, the Jenin Martyrs Brigades.

The captors demanded Jabali be fired for embezzling millions of dollars — a demand Arafat obliged after four French aid workers and another Palestinian security officer

Continued on page 2

■ Chaos and security shake-ups challenge Yasser Arafat's leadership

Continued from page 1 were also briefly kidnapped at gunpoint in Gaza.

"With all due respect to President Arafat, the Palestinian Authority is not some private fiefdom," a masked Jenin Martyrs Brigades spokesman told reporters whom, minutes earlier, his comrades had kept away from their hideout by firing in the air. "Where is the reform? Where is the democracy?" he asked.

Palestinian pundits were quick to blame Israel, saying its counter-terrorist sweeps of the West Bank and Gaza had robbed Arafat of real power.

But there was also new criticism at home of the Palestinian leader's failure to consolidate a dozen disparate security services — many of them with personnel who moonlight as terrorists.

Several media reports suggested that Mohammed Dahlan, a Fatah strongman favored by Jerusalem but sidelined by Arafat, had fomented the mutiny in a bid to gather strength ahead of Israel's planned withdrawal from Gaza in 2005.

"Our wagon is overloaded with complicities," complained Palestinian Cabinet minister Saeb Erekat in an interview with Israel Army Radio.

New Zealand penalizes Israel after passport fraud case

By HENRY BENJAMIN

SYDNEY, Australia (JTA) — New Zealand has imposed diplomatic sanctions on Israel following the sentencing of two Israelis, accused of being Mossad agents, for fraudulently attempting to obtain a New Zealand passport.

Uriel Zoshe Kelman, 31, and Eli Cara, 50, used the identity of a wheelchair-bound man suffering from cerebral palsy to apply for the passport. They pleaded guilty earlier this month to charges of being part of a group engaged in unlawfully attempting to obtain a New Zealand passport.

They were sentenced July 15 in Auckland's High Court to six months' imprisonment. They also have agreed to pay \$65,000 to the Cerebral Palsy Association of New Zoaland

A day after the sentencing, Jewish graves in New Zealand were desecrated. Last Friday, Wellington residents awoke to find swastikas and Nazi slogans such as "Sieg heil" cut into the lawn of a Wellington cemetery. "It is Israel bashing one day and Jew-bashing the next," said David Zwartz, Israel's honorary consul in New Zealand and president of the country's Jewish Council.

New Zealand's prime minister,

New Zealand's Helen Clark, condemned the attack, but said it wasn't necessarily linked to the convictions. In a statement after the verdict, Clark "There were said, very strong reasons to believe that the two Israelis were acting on behalf of Israel's intelligence service."

"New Zealand condemns these actions by agencies of the Israeli government," she said. "The Israeli government was asked for an explanation and an apology three months ago. None has been received."

Kelman and Cara denied that they worked for the Mossad. Foreign Minister Silvan Shalom said Israel would try to restore diplomatic relations with New Zealand. "We regret this response, but we think this decision is a decision that can be fixed," Shalom said.

Clark said several sanctions would be imposed: High-level visits to and from Israel will be suspended. Any overture by Israel to have President Moshe Katsav visit New Zealand will be declined.

Israelis visiting New Zealand in any government capacity also will need visas. Foreign Ministry consultations with Israel, due later this year, will be suspended.

Approval for appointment of the new Israeli ambassador will be delayed and accreditation visits to Israel suspended. Officials from New Zealand's Ministry of Foreign Affairs, as well as trade officials, will observe strict constraints on contact with Israel's honorary consuls in the country.

Though no evidence was been offered to show that Cara and Kelman were Mossad agents, Clark said "the breach of New Zealand laws and sovereignty by agents

Prime Minister Clark

has made an accusation

without offering proof."

David Zwartz

New Zealand Jewish leader

of the Israeli government has seriously strained our relationship with Israel."

Israel's acting ambassador in the area, Orna Sagiv, who is based in Canberra, Australia, said, "I am very sorry about the cur-

rent situation, given the traditional friendly relations between the two countries. Israel values her relations with New Zealand and will do everything possible to restore them to normal."

David Zwartz, president of the New Zealand Jewish Council and the honorary Israeli consul in New Zealand, said, "Prime Minister Clark has made an accusation without offering proof. I feel deeply affronted by it."

Earlier this year, he said, it was discovered that false New Zealand passports were being produced in Thailand, but no diplomatic action was taken.

Cara claimed he operated a travel agency in Sydney, Australia, where he had lived since 2001 with his family. But journalists' attempts to locate the agency proved fruitless.

Kelman told investigators he was a consultant to European security companies, Ha'aretz reported.

On completion of their prison terms, Kelman and Cara will be deported, New Zealand officials said.



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THIS WEEK

MONDAY

- The governing board of the World Jewish Congress meets in New York. Bringing together Jewish communal leaders from around the world, the two-day gathering will focus on a broad agenda, including global anti-Semitism, Holocaust restitution and interreligious affairs. The group plans to adopt a proposal to rank countries according to their standing on Jewish issues from treatment of Israel to level of anti-Semitic
- Cameron Kerry will be in Florida to discuss the Democratic campaign's Middle East policy. The brother of John Kerry, the presumptive Democratic nominee for president, will discuss his recent trip to Israel with voters in several Democratic clubs in South Florida. He will be joined by Rep. Robert Wexler (D-Fla.).
- The Jewish Community Relations Council of New York holds a memorial service for the 10th anniversary of the AMIA community center bombing in Buenos Aires, in Manhattan. The July 18, 1994, bombing, which killed 85 people and wounded 300, remains unsolved.

TUESDAY

- The World Jewish Restitution Organization meets in New York. The next day, the Claims Conference, which distributes reparations, gathers for its annual meeting. Insiders say a central issue for both groups will be a proposal to merge the two organizations and centralize global restitution efforts. The meetings come as a U.S. court in New York is weighing how to distribute \$650 million remaining from the landmark Swiss banks settlement.
- Cynthia McKinney could move one step closer to returning to the U.S. House of Representatives as voters in Georgia's 4th District go to the polls in a Democratic primary. Incumbent McKinney was defeated two years ago in the primary by Denise Majette, who was aided by pro-Israel activists frustrated with McKinney's anti-Israel positions. With Majette not running, McKinney is seen as a viable candidate.

SUNDAY

 National and local Jewish leaders welcome the Democratic National Convention with "A Community Celebration" at Boston's Commonwealth Hall at the World Trade Center. This event celebrates the relationship between the Jewish community and the Democratic Party. Sen. John Edwards, the presumptive vice presidential candidate, is expected to make an appearance. Senate Democratic Leader Tom Daschle, House Democratic Leader Nancy Pelosi and Boston Mayor Thomas Menino and are expected to attend.

AMIA bombing's anniversary marked

By FLORENCIA ARBISER

BUENOS AIRES (JTA) — The first speech at the 10th annual commemoration of the bombing of the AMIA Jewish center here was the most emotional.

On Sunday, the journalist Alfredo Leuco recalled the lives of Sebastian Barreiro, 5, and Faiwel Dyjament, 73, the youngest and oldest victims among the 85 who died in the still-unsolved July 18, 1994, bombing.

Barreiro was a Catholic boy walking outside the building with his mother.

He was a fan of the Ninja Turtles. Dyjament, a Jew, was an unemployed

tailor. That fateful morning, he had arrived early at the **Employment** AMIA Service to search for a job.

The commemoration followed pattern that was no less moving for its familiarity. At 9.53 a.m., a siren sounded. On Pasteur Street, in front of the AMIA

building, several hundred people broke into tears.

Then people held hands as an estimated 7,000 attendees stood in silence as the names of the victims were read, and a candle was lit for each.

Politicians. including Argentine President Nestor Kirchner, attended the event, which was organized by AMIA, the DAIA umbrella group and the largest group for victims' relatives, Familiares de la Victimas.

Jewish groups, both in Argentina and abroad, have long been critical of what they see as foot-dragging in the pace of the investigation.

A trial against several Argentines suspected of involvement in the attack, which also wounded 300, has been under way for several years, but no one has been convicted.

A 2002 report in The New York Times accused Argentina's former president Carlos Menem of covering up Iran's alleged role in the bombing in exchange for a \$10 million bribe. Menem has denied the charges.

Last year, the judge in the case, Juan Jose Galeano, was dismissed on suspicion that he may have paid a bribe to one of the witnesses in the case.

At Sunday's ceremony, during which statements of solidarity from Jewish communities around the world were read. AMIA President Abraham Kaul placed his faith in Kirchner.

"With you, Mr. President, we lit a small flame of hope. Do not let us down," said Kaul, looking at Kirchner, who was standing nearby.

Marina Degtiar, the sister of Cristian Degtiar, who was 21 when he died in the bombing, spoke on behalf of the victims' families.

Degtiar blamed Menem's government

and the police and intelligence services for the lack of progress in

"How could I explain to my 4-year-old daughter that her uncle was killed by a bomb? We are like this: destroyed, split into pieces, isolated, disoriented." she said to an approving crowd.

The 22-person strong delegation from the American Jewish Committee members listened, mainly in silence.

"We identify strongly and stand with the community. We are troubled by the 10 years of mismanagement of the investigation," said David Harris, the AJCommittee's executive director.

The group was expected to meet with the president on Monday.

"We want to keep the pressure" on Kirchner. "in a polite way," said Robert Goodkind, chairman of the AJCommittee's Board of Governors.

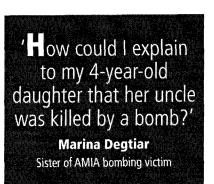
The Israeli ambassador in Argentina, Benjamin Oron, also attended the ceremony, which was translated into sign language.

Another Argentine who attended the ceremony was Marcelo Czyzewski, whose brother, Paola, was a law student who died in the bombing.

When this reporter asked Czyzewski how old he was, he was momentarily confused.

"Thirty-one," he answered before correcting his mistake: "No, I am 33. Paola would have been 31."

Then Czyzewski fell silent.



NEWS IN BRIEF

MIDDLE EAST

Peres wants faster withdrawal

Shimon Peres called for a quicker withdrawal from the Gaza Strip in exchange for joining Ariel Sharon's government.

Peres, the leader of Israel's Labor Party, made the demand in talks Sunday with Prime Minister Ariel Sharon. According to political sources, Sharon declined to commit to a new withdrawal timetable, leaving it to negotiations between his Likud Party and Labor. Sharon was firmer on not wanting to deviate from the austere economic policies of Finance Minister Benjamin Netanyahu.

Close call for cafe

A Palestinian suicide bomber reached the doorstep of a Jerusalem cafe, and then apparently changed his mind about the attack.

The Shin Bet on Sunday lifted a gag order on the July 11 incident, which spared the Caffit eatery in the capital's German Colony neighborhood. According to s ecurity sources, the Hamas terrorist arrived at the cafe armed with a pistol and bomb belt, intent on shooting the guard, storming in and detonating the explosives. But he apparently changed his mind and fled to the West Bank city of Hebron. Israeli commandos killed the terrorist in a shootout on July 16, and at least two accomplices are in Shin Bet custody.

Israel extends marriage law

Israel's Cabinet extended by six months a controversial law that prevents Palestinians who marry Israelis from becoming Israeli citizens. On Sunday, the Cabinet also agreed to establish a committee to draft a revised version of the law.

The law has come under international condemnation, with Amnesty International calling it racist. Israeli officials say some version of the law is necessary for security reasons.

Palestinian film honored

A Palestinian director shared the top prize at Israel's premier film festival. "Atash-Thirst," a drama about the struggle between a dominant father and his children in an Arab family, was honored at the International Film Festival in Jerusalem, which ended Saturday night. The film shared the \$35,000 Wolgin prize with Keren Yedaya's "Orr."

Both films were also honored at the recent Cannes film festival. The Jerusalem film festival reported that a record 80,000 people attended its screenings in this, its 21st year.

Kassams fired at Israel

Gaza terrorists fired two rockets into Israel, causing no casualties. The Kassam rockets, manufactured by Hamas, landed in the western Negev desert on Sunday, security sources said. Palestinian terrorist groups have vowed to press ahead with rocket salvos despite recent Israeli sweeps of launch areas in northern Gaza.

WORLD

False victim in France apologizes

A non-Jewish woman who falsely claimed she was the victim of an anti-Semitic attack apologized on national television.

Reading from a prepared statement on France's Channel 3 news program Saturday night, Marie-Leonie Leblanc, 23, said she was "deeply sorry for everything that happened because of my fault." She added: "I regret this act and I ask forgiveness from all those I tricked and hurt."

On July 9, Leblanc alleged that six men, believing she was Jewish, attacked her on a suburban train near Paris and drew swastikas on her stomach and overturned her baby carriage. She later admitted

there had been no such attack and that she had drawn the swastikas herself. Leblanc is to appear in court on July 26, charged with reporting an imaginary crime. The offense carries a maximum six-month jail sentence and a \$10,000 fine.

Australian synagogue defaced

Vandals defaced an Australian synagogue with anti-Semitic graffitti. The graffitti on the Perth Hebrew Congregation that was discovered Saturday morning is believed to be the work of right-wing extremists.

One of the slogans scrawled read, "6 million more please with fries," the synagogue's rabbi, Dovid Freilich, said.

Yad Vashem: Stop Sudan killings

Israel's Holocaust memorial urged the world to stop mass killings in Sudan.

In a statement, Yad Vashem said the news from Darfur, Sudan, is deeply disturbing and that the world must act "before it is too late." Israel's national memorial for the Holocaust said leaders of the world must take "immediate concerted action to halt the tragedy in Darfur before it devolves further, to provide effective humanitarian aid to the region and to punish the perpetrators of the heinous crimes that are being committed there." The Sudanese government is widely believed to be abetting genocidal acts carried out by Arab militias against African tribes.

Jewish memorial unveiled in Belarus

A monument was unveiled in a Belarussian town to the more than 1,000 Jews killed on a single day during World War II.

The monument unveiled Sunday in Gorodeya, southwest of Minsk, honors the 1,137 Jews killed there on June 17, 1942. It features one stone for each of those killed. Belarussian Jewish leaders and Western diplomats attended the ceremony.

NORTH AMERICA

Group: AIDS is global challenge

A U.S. Jewish group called the AIDS epidemic one of the world's greatest challenges.

A representative from the American Jewish World Service noted the vast scale of the disease as the 15th International AIDS Conference took place in Bangkok. The conference ended last Friday.

AIDS is "one of the greatest challenges to global development," said Anya Guyer, an official with the organization.

The group said representatives from at least four of their grant recipients are attending the conference. The Hebrew University of Jerusalem and the Jerusalem AIDS Project also sent representatives for a special gathering of researchers on HIV and AIDS in the Middle East. In Israel, some 3,000 people live with HIV or AIDS out of a total population of 6.7 million.

Worldwide, some 40 million people are infected with the disease.

Reform Jewish camp hires Israeli Arab

A Reform movement summer camp hired what it said was the first Israeli Arab counselor to staff a North American Jewish summer camp. Rula Faran, 23, a Christian Arab and student in Jerusalem, was hired to teach art at the movement's Greene Family Camp near Waco, Texas.

"The integration of an Arab student has tremendous educational value — it exposes Israeli reality to American Jewish youth through a real individual's personal narrative," said Yehuda Bar Shalom, head of the education department at Jerusalem's David Yellin College, where Faran is a student.