

IN THE NEWS

U.S. nixes Russia on Middle East forum

The Bush administration rejected Russia's call for an international conference on the Middle East, saying now is not the time.

"We believe there will be an appropriate time for an international conference," White House spokesman Scott McClellan said Wednesday. "But we are not at that stage now, and I don't expect that we will be there by the fall."

McClellan was responding to Russian President Vladimir Putin's offer to host such a conference.

Putin is discussing Israeli-Palestinian talks with leaders during his tour of the region this week.

Dems get new Jewish liaison

A congressional Democratic leader hired a top Jewish official to run the party's outreach to the community.

Rep. Nancy Pelosi (D-Calif.), the minority leader in the U.S. House of Representatives, hired Reva Price, Washington director of the Jewish Council for Public Affairs, the umbrella body for Jewish community relations councils.

Price will liaise with the Jewish community and also will deal with women's issues.

The late-May departure of Price, who set up the JCPA's Washington office eight years ago, leaves two top positions vacant, as the JCPA has yet to replace its executive director, Hannah Rosenthal, who resigned in January.

Thousands rally for Gaza settlements

Thousands of Jews flocked to the Gaza Strip for a rally against Israel's plan to evacuate settlements.

Gaza settler leaders estimated that as many as 100,000 supporters would take advantage of the Passover holiday to attend Wednesday's demonstration in the Gush Katif bloc, but the numbers looked unlikely to reach half that.

A Palestinian mortar round came close to hitting the demonstrators.

WORLD REPORT

PUBLISHED WEEKDAYS BY JTA—THE GLOBAL NEWS SERVICE OF THE JEWISH PEOPLE • WWW.JTA.ORG

As Gaza withdrawal approaches, Bush adamant on Palestinian funds

By RON KAMPEAS

WASHINGTON (JTA) — While Congress considers what U.S. assistance, if any, the Palestinians will receive when Israel withdraws from the Gaza Strip this summer, President Bush is adamant about making sure some cash is on hand to ease the way to full Palestinian sovereignty.

Delegates from the U.S. Senate and the House of Representatives launch meetings this week to reconcile their versions of a fast-track appropriations bill that earmarks \$200 million for the Palestinians.

Both houses have included tough language demanding oversight and restrictions on direct assistance to the Palestinian Authority. Senate negotiators want to remove language in the House version that takes away the president's right to waive those restrictions; House negotiators, unhappy with the pace of P.A. reforms, may try to introduce even tougher restrictions.

Whatever happens, Bush is determined to make sure that P.A. President Mahmoud Abbas — due to visit the White House at the end of May — gets cash, even if it doesn't come directly from the United States.

Bush made Saudi financial assistance to the Palestinians a priority in talks at his Texas ranch this week with Saudi ruler Crown Prince Abdullah.

"I did discuss with the crown prince the need for everyone to support, including financially, the Palestinians as they move forward," Secretary of State Condoleezza Rice said Monday. "I think as the international community comes forward with a plan of support for the Palestinians, I would expect

the regional states, including Saudi Arabia, to be supportive of that plan."

Bush is committed to the success of Israel's Gaza withdrawal as a means of winning European and Arab support for U.S. efforts to democratize the Middle East and stabilize the U.S.-led occupation of Iraq.

The president engineered the appointment of the outgoing World Bank president, James Wolfensohn, to advise both sides on the withdrawal. Even in the aftermath of the Palestinian intifada, much of the Gaza economy still relies on Israel, and Bush sees Palestinian self-sufficiency as key to peace prospects.

He has accelerated U.S. engagement in the region: In the past week, four top U.S. officials — Wolfensohn; Elliott Abrams, the deputy national security adviser; David Welch, the assistant secretary of state; and Gen. William Ward, who is coordinating military aspects of the withdrawal — met in the region with top Israeli and Palestinian officials.

The Rand Corporation, a think tank with close Pentagon ties, published a report Wednesday on how to make a Palestinian state viable.

The report estimates that \$8.5 billion in investment in near-term transportation infrastructure and \$33 billion in other investment will be needed over the next 10 years. They say they expect the money to come from the international community, and note that on a per-capita basis, it's commensurate with the cash the international community pays to sustain the peace in Bosnia — over \$700 per person per year.

The Rand team presented its findings to
Continued on page 2

NEWS
ANALYSIS

■ *Bush firm on funds for Palestinians*

Continued from page 1

the White House and State Department.

"I would characterize their response as extremely interested," said Steven Simon, a senior Rand analyst and one of the authors of the report. Bush administration spokesmen could not be reached for comment.

Notably, the report, "Building a Palestinian State," grades the probability for the Palestinian state's success as a function of its level of territorial contiguity. That has been a touchy point in a recent standoff between the United States and Israel over Israeli settlement building in the West Bank.

"A new Palestinian state is more likely to succeed if it has a high level of territorial contiguity," the report finds. An appendix, called "The Arc," maps out a possible Palestinian state, but envisions Palestinian sovereignty over some of the West Bank settlement blocs that Israel insists it will keep in any peace deal.

Doug Suisman, lead author of "The Arc," said the plan was guided by Palestinian population centers and ignored settler populations.

Simon characterized Israel's reaction to the report as "cautious."

Israeli Embassy spokesman David Siegel said the key to Palestinian success was ensuring Israel's security, which would guarantee open borders and commerce, a point also highlighted in the Rand report.

"The main issue is the free flow of people and goods, and Israel is committed to assisting the Palestinians in developing a prosperous economy which is contingent

on good governance and the rule of law," Siegel said.

Prodded by the American Israel Public Affairs Committee, Congress is concerned that Abbas has yet to consolidate his control.

Congress worries that U.S. funds could disappear, as international funds regularly did under the rule of Abbas' predecessor, Yasser Arafat, into a hole of corruption. It wants the money run through non-governmental organizations rather than the Palestinian Authority.

Administration officials are convinced that Abbas' finance minister, Salam Fayyad, is committed to accountability; he has welcomed the earmarking of \$5 million of the \$200 million for an outside audit.

They also note that violence has dropped substantially since Abbas' election in January. Israel concedes that Abbas has made strides, but wants to see him fulfill commitments to dismantle and disarm terrorist groups.

Abbas said Monday that he expects Hamas to disarm after legislative elections in July, but the group has scoffed at the idea.

The legislative elections are one reason Bush wants Abbas to walk away with a political prize after their late May meeting. Hamas is running in the elections, and it could harm prospects for peace if the group

wins a majority of parliamentary seats.

State Department officials have said that if Congress does not give Bush a free hand, they'll dip into what they say is about \$400 million in available funds earmarked for the Palestinians, dating back to the Clinton administration.

Palestinian officials say they hear a new tone from the White House. Three Palestinian negotiators here this week for twice-yearly briefings with National Security Council and State Department officials were surprised to get an

invitation to meet with staff in Vice President Dick Cheney's office.

Cheney, perhaps the most pro-Israel member of Bush's Cabinet, previously had shunned them.

"In the past, this was difficult to achieve," said Maen Erekat, who directs the Palestine Liberation Organization's negotiations department.

The negotiators said they will press for direct U.S. aid instead of having all the money routed through NGOs, said Zeinah Salahi, a lawyer designated to the Gaza withdrawal team.

"A lot of the importance of making the withdrawal a success is the ability to provide emergency assistance," she told JTA. "That would be greatly facilitated if the money went directly to the government, instead of through another layer." ■

'The main issue is the free flow of people and goods, and Israel is committed to assisting the Palestinians in developing a prosperous economy which is contingent on good governance and the rule of law.'

David Siegel

Israeli Embassy spokesman

WORLD REPORT

Howard E. Friedman
President

Mark J. Joffe
Executive Editor and Publisher

Lisa Hostein
Editor

Michael S. Arnold
Managing Editor

Lenore A. Silverstein
Finance and Administration Director

JTA WORLD REPORT is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For more information about how to subscribe by e-mail, fax or regular mail, call (212) 643-1890, or visit our Web site at www.jta.org.
© JTA. Reproduction only with permission.

Lawmaker leads protest

JERUSALEM (JTA) — A right-wing Israeli lawmaker stirred uproar by urging a nationwide strike to stop the upcoming Gaza Strip withdrawal.

Addressing thousands of right-wing activists Wednesday in the Gaza Strip, Arie Elad urged civil servants to refuse to go to work once the evacuation of Gaza and four West Bank settlements begins this summer.

"Don't be a cog in the destruction machine. Refuse to do your job," said Elad,

of the National Union bloc. If residents "cannot move freely in Gush Katif" settlements, "then the whole country will be paralyzed."

Lawmakers across the political spectrum took umbrage at the comments, which added to concern that the withdrawal could spark civil strife.

Matan Vilnai of the Labor Party urged the Knesset to remove Elad's parliamentary immunity so he can be prosecuted. ■

British Jews seek middle ground in coming vote

By DANIELLA PELED

LONDON (JTA) — For the first time in more than 120 years, a Jewish politician is hoping to lead a major British political party to victory in a general election.

If Britain's Conservative party wins on May 5, Michael Howard will move into No. 10 Downing St., displacing Labor's Tony Blair.

That seems an unlikely outcome, however. The honeymoon is long over for Blair eight years after his 1997 landslide victory — especially as a result of his support for the war in Iraq — but polls still show Labor firmly in the lead.

Few expect Howard to become the first prime minister of Jewish origin since Benjamin Disraeli in the 1870s. And Jewish voters are unlikely to be swayed by the Tory leader's ethnic origins.

“Howard's Jewishness is not really an issue,” says Barry Kosmin, executive director of the Institute for Jewish Policy research. “He's not terribly associated with the Jewish community and has tended to distance himself from the Jewish agenda.”

Still, Howard's roots have figured in an occasionally ugly pre-election campaign.

There were accusations of anti-Semitism when Labor published a series of trial posters in January featuring the faces of Howard and his shadow foreign secretary, Oliver Letwin — who also is Jewish — superimposed on pigs' bodies.

Another image showed Howard looking like Fagin, the old Jew who oversaw a gang of child ruffians in Charles Dickens' “Oliver Twist.”

Some Jewish community figures feared the proposed poster campaign, which was quickly withdrawn, was a subliminal way to tell the electorate that the two most high-profile opposition politicians in Britain are Jewish.

“It may well have had some undertones” of anti-Jewish prejudice, says Eric Moonman, president of the Zionist federation and a former Labor legislator. “I think it was a cheap piece of ignorance by Labor.”

Suspensions were further raised by an article a Cabinet minister published in the Muslim Weekly newspaper arguing that only Labor could stand up for British Muslims and work toward the creation of a Palestinian state.

“Ask yourself what will Michael Howard do for British Muslims? Will his for-

eign policy aim to help Palestine?” Mike O'Brien, minister of trade and industry, wrote in the newspaper.

“There's been a lot of innuendo,” Kosmin says.

Media attention has been focused on the electoral power of the U.K.'s approximately 1.6 million Muslims, who some predict will abandon their traditional support for Labor because of the Iraq war and Blair's anti-terrorist legislation, which some Muslims say unfairly targets their community.

The Jewish vote is fairly evenly split between the two main parties, and Jews' numbers and concentration make them a significant factor in up to 15 districts. Experts warn against dismissing the community's political strength.

“Anyone who says the Jewish vote is not important doesn't know about politics,” says David Mencer, former director of the lobby group Labor Friends of Israel and a Labor councilor in the London borough of Barnet.

“You need to appeal to the Jewish community because they are an excellent barometer” of the consensus, Mencer says. “It's something the strategists at No. 10 understand very well, because of the part of the middle class the Jews belong to. If you appeal to them, you have captured that vital middle ground.”

Jewish support is also important for another reason, Kosmin adds: Not only do community members hold many senior roles in business, they're among the most prominent contributors to party coffers.

“Both parties have significant Jewish funders,” Kosmin says, pointing to a top Labor fund-raiser, Lord Michael Levy, and a former Tory treasurer, Sir Stanley Kalms.

Jews long have been deeply involved in British political life. With some 20 Jewish legislators, the community is disproportionately represented in Parliament.

When they were an immigrant work-

ing-class community Jews overwhelmingly supported Labor. But as Labor became increasingly radicalized in the 1970s — and as its sympathies moved away from Israel toward the Arabs — Jews drifted away from the party.

That coincided with the era of Margaret Thatcher, who was staunchly pro-Israel and an outspoken admirer of the Jewish community. At one time five Jews served in her Cabinet. Thatcher's business-friendly economic policies also appealed to an increasingly prosperous Jewish constituency.

The rise of Blair changed the equation again.

“Blair has come closer to the Jewish community than anyone since Thatcher,” says Mencer, pointing to the prime minister's defense of shechita — Jewish ritual slaughter — support for Jewish schools and support of Israel.

Blair also has made a point of wooing Jewish community institutions, and recently was the featured guest at the annual dinner of the Board of Deputies, the representative body of British Jewry.

The board refuses to be partisan.

“We are not calling on any individuals to vote in any particular way,” a spokesman says.

Mencer insists that Labor policy means “Israel has no better friend in the world outside the U.S. than Britain,” but others point to an ideological movement within the party that some Jews find hard to stomach.

Since the start of the Palestinian intifada in September 2000 and the Sept. 11 terror attacks a year later, some Labor members have gone back to their radical roots, Kosmin says. That trend is typified by Ken Livingstone, the anti-Israel mayor of London who sparked outrage for comparing a Jewish reporter to a concentration camp guard and who has called Israeli Prime Minister Ariel Sharon a war criminal.

Livingstone “is a symbol of why Jews turned away from Labor in the 1980s,” Kosmin says. That means, he adds, “There will probably be slightly fewer Jewish votes for Labor than last time.”

You need to appeal to the Jewish community because they are an excellent barometer. . . . If you appeal to them, you have captured that vital middle ground.'

David Mencer

Former director, Labor Friends of Israel

**AROUND
THE
JEWISH
WORLD**

NEWS IN BRIEF

NORTH AMERICA

'Bunker busters' in the works

The United States plans to sell Israel bombs that can penetrate bunkers deep underground.

The Pentagon notified Congress on Tuesday that it intends to meet an Israeli purchase request for 100 guided GBU-28 "bunker-buster" bombs, a sale that analysts say could equip Israel for a potential attack against Iran's nuclear reactors, many of which are fortified and buried.

Israel said it has no plans for such a strike against its archenemy.

The Pentagon's Defense Security Cooperation Agency said the sale, estimated at \$30 million, would "not affect the basic military balance in the region."

Islamic school incident seen as isolated

Canadian authorities decided an incident in which teachers praised a student's story advocating violence against Israel was an isolated incident.

The incident at the Abraar Islamic School, which led to the suspension of two teachers last month, "is not a reflection on what is being taught in that school to the 250-some children that are there," said Gerard Kennedy, Ontario's minister of education.

Frank Bialystok, an official with the Ontario region of the Canadian Jewish Congress, said the group was "encouraged by the swift action of both the ministry of education and the principal" at the school "in calling for investigations into the incident, and taking immediate remedial action."

Cardin announces for Senate

A Jewish congressman in Maryland announced his candidacy for the U.S. Senate.

Rep. Benjamin Cardin (D-Md.), a 10-term Baltimore congressman, made his announcement Tuesday at the Baltimore Museum of Industry.

The 2006 campaign will produce a replacement for Sen. Paul Sarbanes (D-Md.), who is retiring.

Kweisi Mfume, who recently stepped down as president of the NAACP, also has announced his intention to run in the Democratic primary.

The likeliest Republican candidate is Lt. Gov. Michael Steele.

Cardin, 61, is a member of a well-known Baltimore Jewish family.

MIDDLE EAST

Palestinian state plan outlined

A top U.S. think tank proposed a plan for a Palestinian state that calls for major investment from the international community.

The Rand Corporation's 400-page book, published Wednesday with two separate annexes, suggests that creating a viable Palestinian economy will take \$33 billion in capital investment over the next 10 years.

The centerpiece of the plan is a complex of roads and rails that would run through the West Bank, in many cases through settlement blocs that Israel says it intends to keep in any final peace deal. Rand has close ties to the Pentagon.

Eyes on Hezbollah

Israel will continue overflying Lebanon despite Syria's withdrawal from the country.

Senior Israeli security sources said Wednesday that as long as Hezbollah remains armed and active in southern Lebanon, Israel sees no reason to stop its surveillance flights.

Syria completed withdrawing its forces from Lebanon on Wednesday after a 29-year occupation, in line with U.N. Security Council Resolution 1559.

But the move still fell short of full compliance, as the resolution also calls for foreign-backed militias in the country, such as Hezbollah, to be disbanded.

To cover or not to cover

Israeli officials are concerned that Turkey's prime minister may not cover his head during a visit to Yad Vashem.

Recep Tayyip Erdogan is scheduled to arrive in Israel on Sunday.

There is concern that he might not cover his head at the Holocaust museum, fearing that a photograph of a yarmulked prime minister might anger his Islamic constituency and the rest of the Muslim world, Israeli officials say.

Last month, Turkey's foreign minister, Abdullah Gul, refused to cover his head on a visit to Yad Vashem.

Erdogan has made harsh anti-Israeli comments, though he recently toned them down after a request by President Bush.

WORLD

Payment made to slave labor fund

The heir to a Nazi-era arms supplier paid \$6.5 million into a German fund for World War II-era slave and forced laborers.

Friedrich Christian Flick's contribution, announced last Friday, was a reversal of his earlier stance that he was not obligated to contribute to the estimated \$6.6 billion fund, which was set up by German government and industry in 2001, the Associated Press reported.

The contribution came after Jewish groups had criticized Flick's earlier reluctance.

The Claims Conference so far has paid more than 140,000 former slave laborers from the fund.

The majority of those benefitting from the fund are ex-forced laborers who are not Jewish.

Hungary wants man extradited

Hungary requested that Australia extradite a man wanted for the World War II-era murder of a Jewish teenager.

Charles Zentai, 83, was a soldier in the Hungarian army in November 1944, when he is alleged to have arrested Peter Balozs, 18, for not wearing the mandatory yellow Star of David, and then beaten Balozs to death in a Budapest army barracks.

Zentai also is accused of dumping Balozs' body into the Danube River.

Zentai denies the charges. Australian officials said they're considering the extradition request.

Zentai's alleged involvement was revealed during Operation: Last Chance, a program operated by the Simon Wiesenthal Center that offers rewards for information on alleged war criminals.

Neo-Nazis arrested in Spain

Spanish police arrested 21 suspected neo-Nazis.

The arrests announced Tuesday are of people believed to be members of a group known as Blood and Honor.

They are being held on charges that include defending the Holocaust and trafficking in weapons.

What were they thinking?

An official of an Austrian chain store apologized for listing a tool shed in its catalog as its "Mauthausen" model.

An official with the bauMax chain said the shed would now be called the Linde, or linden tree.

"We are sorry we used this historically burdened name," said Karlheinz Essl. He said the items in the catalog were named after cities where the company has outlets.