

## IN THE NEWS

## Two Israelis hurt by rocket fire

Two Israeli children were injured by Palestinian rocket fire.

Seven rockets hit Sderot and Ashkelon on Tuesday, and two children in Sderot were moderately wounded.

Palestinian terrorists have fired some 60 rockets since a cease-fire was declared in November.

Dan Gillerman, Israel's ambassador to the United Nations, sent a letter Tuesday to U.N. Secretary-General Kofi Annan saying that "Israel has exercised tremendous self-restraint... But Israel has the right to defend itself and its people... and will be compelled to do so if the rocket attacks do not stop." Gillerman requested that his letter be circulated as an official document in the General Assembly.

## Olmert, Mubarak to meet

Ehud Olmert is scheduled to meet Hosni Mubarak next week.

Olmert aides said Tuesday the prime minister would travel to the Red Sea port of Sharm e-Sheik next week for talks with the Egyptian president, who has played a key mediating role in efforts to retrieve Cpl. Gilad Shalit, an Israeli soldier held hostage in the Gaza Strip.

Olmert recently held his first formal peace summit with P.A. President Mahmoud Abbas and visited Amman for talks with Jordanian King Abdullah II.

## Israeli budget passes first step

Israel's 2007 budget passed its first reading.

The Knesset Finance Committee approved the \$70 billion plan and supplementary bill Tuesday in a 10-4 vote with two abstentions. All coalition factions voted for the budget, following an agreement Monday night to table their individual demands.

A full Knesset vote is expected Jan. 4.

# WORLD REPORT

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## Will Olmert's goodwill gestures be enough to kick-start peace?

By LESLIE SUSSER

**J**ERUSALEM (JTA) — After the plethora of goodwill gestures Israeli Prime Minister Ehud Olmert made in his meeting Saturday with Palestinian Authority President Mahmoud Abbas, politicians and pundits on both sides are asking one question: Will it be enough to kick-start the stalled Israeli-Palestinian peace process?

Leaders on both sides are optimistic. They see Olmert's moves as part of a new and wider American plan for Israeli-Palestinian accommodation.

Pundits, however, are downbeat. Few believe Abbas will be able to create the necessary conditions on the Palestinian side for successful negotiations with Israel.

The meeting was the first between the two leaders since Olmert's election victory in March.

Its primary purpose was to help strengthen Abbas and his relatively moderate Fatah movement in their ongoing power struggle with the radical Hamas.

Olmert's moves were part of a two-pronged plan: To show the Palestinian people that more can be achieved through Abbas-style dialogue with Israel than armed confrontation, and to strengthen Fatah militarily by allowing it the wherewithal to build its armed forces ahead of a possible showdown with Hamas over approaches to Israel.

With this in mind, Olmert made the following goodwill gestures:

- Israel would release \$100 million in frozen Palestinian tax money.

- It would remove dozens of checkpoints to facilitate Palestinian movement in the West Bank.

- It would ease passage in and out of Gaza to enable the free flow of goods and medicines.

- It would consider freeing a few dozen Palestinian prisoners in early January to mark

Id el-Adha, the Muslim feast of the sacrifice, ahead of the release of Cpl. Gilad Shalit, the Israeli soldier held by Hamas-affiliated militiamen.

- It would agree to set up joint committees to consider further

prisoner releases and the removal of key Fatah operatives from Israel's wanted list.

- It would allow Egypt to supply Fatah with 1,900 Kalashnikov rifles.

- It would allow the Palestinian Badr Brigade, currently stationed in Jordan, to redeploy in Gaza.

Olmert went out of his way to show friendship and respect for Abbas and his presidency, waiting for Abbas outside the prime minister's residence and embracing him warmly on arrival.

Olmert also made a major symbolic gesture: For the first time, Palestinian flags were flown in an official Israeli state building.

"Abu Mazen is an adversary — he is a not an easy adversary, but with an adversary like this, there is, perhaps, a chance of dialogue that will bring an accord between us and the Palestinians," Olmert said in a speech Sunday, his first public comments following the two hours of talks with Abbas.

Senior Abbas aide Saeb Erekat also was

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## ■ Leaders on both sides are optimistic, but observers are skeptical

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cautiously optimistic.

"It would be a mistake to think that all the problems could be solved in one meeting, but the meeting improved the feeling on both sides," he said.

Writing in the mass circulation daily Yediot Achronot, political analyst Itamar Eichner summed up the new friendship between Olmert and Abbas.

"They have a common interest not to mention a common enemy: to block the rise of Hamas, which enjoys massive support from Iran," he wrote.

The Israeli moves complement U.S. and European efforts to strengthen Fatah.

The Americans are soon expected to release about \$100 million to Abbas, and they also have been training Fatah forces.

British Prime Minister Tony Blair, in a mid-December visit to Ramallah, outlined economic projects from which the Palestinians could benefit if they reached accommodation with Israel.

■  
All of these moves are part of a wider plan for Israeli-Palestinian peace talks that has begun to take shape in the U.S. State Department.

The new American thinking envisages leapfrogging stage one of the internationally approved "road map" for Israeli-Palestinian peace and moving directly to stage two, which calls for the establishment of an interim Palestinian state with provisional borders.

Discarding stage one means that talks could go ahead without the Palestinians

first stopping all violence and without Israel dismantling illegal West Bank outposts.

The idea is that once a mini-state is established, those things would be much easier for the parties to handle.

By strengthening Abbas, the Americans hope to create conditions for the establishment of a new Palestinian government that would recognize Israel and become a serious negotiating partner. U.S. Secretary of State Condoleezza Rice is expected to make a visit to the region soon to press the plan.

The American approach is not much different from ideas being bandied about in the Israeli Foreign Ministry and supported by Foreign Minister Tzipi Livni.

Livni, who favors going directly for an interim Palestinian state, told a meeting of Europe-based Israeli ambassadors in Jerusalem on Sunday that the Olmert-Abbas meeting was important not as "a lone gesture, but as a process of which gestures are a part." She added that in her view, moderate Arab and Muslim states should be involved as well.

■  
On the Palestinian side, Abbas also expressed the hope that the meeting would lead to peace talks.

Israeli pundits, however, are skeptical. They doubt Abbas will be able to carry off the necessary first step: the establishment of a Palestinian government that makes the right noises about recognizing Israel, accepting previous Israeli-Palestinian agreements and renouncing violence.

"First that must happen, but as we know from experience, something on the way is bound to go wrong, and all we'll get is more of the same," political analyst Ben Caspit wrote in the Ma'ariv daily.

"Many meetings between Palestinian and Israeli leaders have taken place up till now, but it seems that never have two such weak partners sat on either side of

the table — Abu Mazen on the verge of a civil war and Olmert after a war and embroiled in an investigation," Caspit wrote.

"They have a great many qualities in common: not a bad vision and considerable courage. On the other hand they are

lacking in leadership and confidence, exhausted and shackled by political constraints, enemies inside and out."

The trouble is, Palestinian society is deeply divided over how to proceed.

In Abbas' view, the Palestinians will always be outgunned and therefore will lose in any violent confrontation with Israel. Thus, negotiation is the

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**Ben Caspit**  
Analyst, Ma'ariv

way forward.

Hamas holds that time is on the Palestinians' side, and the best path is to establish a temporary truce, use it to stockpile weapons and wait for Iran to become the dominant regional power.

Israeli intelligence estimates that if Abbas is able to rekindle a peace process, Hamas will escalate its violence against Israel in a bid to extinguish it.

■  
Complicating matters even further, the fight on the Palestinian street is not only between Fatah and Hamas. Poverty and the breakdown of law and order have spawned violent, armed gangs loyal only to themselves and contemptuous of authority, whether from Fatah or Hamas.

They will probably continue to use terror against Israel, even if Abbas and Hamas agree to a cease-fire.

If the latest American initiative is to succeed, it will have to find a way of neutralizing both Hamas and the street gangs. Otherwise, new peace prospects will drown in a sea of Palestinian chaos.

Making peace at the best of times would not be easy.

In these circumstances, it will be a very tall order indeed.

(JTA correspondent Dan Baron in Jerusalem contributed to this report.)



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# Iran hit with sanctions — sort of

By RON KAMPEAS

WASHINGTON (JTA) — The U.N. sanctions package for Iran might have come with one of those labels so familiar from other seasonal deliveries: some assembly required, teeth not included.

After weeks of struggling between the United States and Europe, which favored tough measures to stem the Persian nuclear tide, and Russia and China, which maintain close business ties with Iran, the U.N. Security Council's verdict this week-end was a mash of tough legal terms attached to vague prescriptions.

To be sure, the 15-0 decision was under Chapter Seven of the U.N. charter, meaning its decision carried the force of international law — a hard-won victory for the U.S.-Europe team, which had failed to secure Chapter Seven status for the resolution that ended Israel's war with Hezbollah this summer.

The problem is, it's not clear what exactly is being sanctioned.

The first provisions essentially reiterate longstanding international demands that Iran cooperate with nuclear inspectors and suspend the enrichment of uranium, a necessary step in the manufacture of a nuclear weapon. Iran denies its goal is nuclear weaponry, but U.N. nuclear inspectors have cast strong suspicions on such denials. It sets a deadline of Feb. 21, 2007, for compliance — the third or fourth such deadline since last summer.

A raft of subsequent provisions bans the export to Iran of technology or training that might have "dual uses" — in other words, for civilian or for nuclear weaponry.

But there are substantial exceptions for the dual-use bans, especially related to Iran's Bushehr reactor, which is being built with Russian assistance. This creates a loophole, even though Russia and Iran maintain that Bushehr is strictly for civilian use.

In any case, according to the picture painted by Israeli intelligence, the usefulness of the dual-use ban is long past due, at least as far as training goes: Iran is just months away from the know-how it needs to make a nuclear bomb, Israeli officials have suggested.

The new powers the resolution accords to the international community come toward the end, when the resolution lists 10 entities and 12 individuals designated to have their funds frozen. Even these, however, come with substantial exceptions for deals made prior to the resolution. The exceptions do not include prior "dual use" deals, but the caveat is almost meaningless considering the fungibility of money in such international dealings.

The Los Angeles Times reported that Iranian missile manufacturer Aerospace Industries Organization was removed from the list at the last minute.

More substantially, the resolution does not ban the travel of the individuals or the company directors, which has been routine in past cases. This enables black market trade.

The vagueness of the document was immediately apparent in how the ambassadors to the Security Council described its meaning before its passage on Saturday.

According to the U.N. report, Russian Ambassador Vitaly Churkin said it would help "ensure confidence" in Iran's existing nuclear program. U.S. envoy Alejandro Wolff said it should encourage Iran to "relent from its confrontational posture."

U.S. officials underscored the defeat the resolution handed to Iranian diplomacy, which had pressed hard for no resolution.

"It's a big spotlight. It is going to be humiliating for Iran," said Nicholas Burns, an undersecretary of state, in a conference call with reporters after the vote. "The Iranians have launched a pretty vigorous international campaign over the last few months to prevent this from happening."

Burns said the United States would encourage its allies to broaden the sanctions — an acknowledgment, however, that enforcement was pretty much what U.N. member states made of it.

"We don't think this resolution is enough in itself," he said.

"We want the international community to take further action, and we're certainly not going to put all of our eggs in a U.N. basket. We're going to try to convince countries, especially the European Union countries and Japan, to consider some of the financial measures that we have undertaken. This is a campaign we've launched to convince some of the international lending institutions and private banks that they should shut down lending to Iran."

Some analysts said the details of what sanctions do and do not apply matter less than the resolution's legal heft. A statement from the American Israel Public Affairs Committee suggested that the Security Council's willingness

to invoke its law enforcement powers through Chapter Seven was the real breakthrough.

"This sanctions resolution is a critical and necessary step toward ensuring that Tehran's radical regime realizes serious consequences for its defiance of U.N. Security Council demands to end its nuclear pursuit and to ensuring that Iran is not permitted to possess the world's most dangerous weapons," AIPAC said in a statement. "It sets a clear path for Iran — end its nuclear enrichment activities or face continued international and diplomatic isolation."

Iran's reaction was, for a regime that periodically wishes Israel off the map, relatively restrained. The Iranian envoy, Javad Zarif, spent much of his response time blasting Israel's nuclear capability as the real threat to the region, but added that Iran would "go to any length to allay" the Security Council's "so-called proliferation concerns, in spite of the fact that we all know they are no more than unfounded and self-serving sheer excuses."

That seemed to remove Iran's earlier threat that it would ban U.N. inspectors in case of a resolution.

## NEWS ANALYSIS

It's a big spotlight. It is going to be humiliating for Iran.

Nicholas Burns  
U.S. undersecretary of state

## NEWS IN BRIEF

## MIDDLE EAST

**Saddam's death sentence confirmed**

Iraq's highest appeals court upheld Saddam Hussein's death sentence for crimes against humanity.

The Iraqi dictator and two former aides lost their appeal Tuesday. Hussein was sentenced in November for his involvement in the killings of 148 people in the Shi'ite village of Dujail in 1982, ostensibly because of his suspicion that some city residents were planning to assassinate him.

During his reign, Hussein funneled money to the families of Palestinian suicide bombers and attacked Israel with Scud missiles during the 1991 Persian Gulf War. The sentence must be carried out within 30 days, according to Iraqi law.

**Israel plans new settlement**

Israel is building a new West Bank settlement to house former Gaza Strip settlers.

The Defense Ministry announced Tuesday that it was converting Makiot, a former military base in the northern Jordan Valley, into a settlement with homes for 30 families who were evacuated from Gaza last year. Former Defense Minister Shaul Mofaz had initiated the project. Construction is to begin next month.

**Livni: We seek peace with Syria**

Tzipi Livni said Israel considers peace with Syria a strategic goal. The Israeli foreign minister said Tuesday that Jerusalem must heed recent peace overtures from Damascus, but only after ascertaining that they're sincere. "Israel's strategic objective is peace with Syria, but the discussion is purely tactical at the moment," Livni told the Knesset Foreign Affairs and Defense Committee.

"We must assess whether the Syrians want to get into negotiations just for the sake of negotiations, or whether they are interested in achieving peace." Israel's Mossad spy service has warned that Syrian President Bashar Assad's offers to open new talks with Jerusalem are a bid to distract from Western scrutiny of Syria's support for Arab terrorist groups. Israel's military intelligence, however, has said Assad could be sincere, and that Syria would enter peace talks if this helps it recover the Golan Heights.

**Arrests made in 6-year-old murder**

Israeli security services arrested two suspects in a murder that occurred just after the second intifada began.

The Shin Bet on Tuesday lifted a gag order on its recent arrest of two Palestinians from the Ramallah area, one of them believed to be a member of the Al-Aksa Brigades.

According to the Shin Bet, the two killed an Israeli, Marek Gavri- elov, in October 2000 by luring him to the West Bank on the promise of a car deal.

Gavri- elov's charred body was discovered in the trunk of a car.

**Israel's economy on the rise**

Israel's economy rose 12 places in an international listing. Based on a survey by The Economist, Globes reported that Israel is the world's 36th largest economy. The survey graded nations' economies in 2001-05 as compared with 1980-84, and ranked economies on the basis of their five-year average GDP in current dollars.

Some of the biggest climbers were in Asia: Singapore rose 20 places to No. 39; Taiwan rose 14 places to No. 18; and both South Korea and Hong Kong rose 12 places to Nos. 11 and 30, respectively. China rose four notches to No. 6, while Venezuela fell 12 places to No. 37. Iran fell 16 places to 33, and Saudi Arabia dropped from 15th place to 22nd.

## NORTH AMERICA

**Report: Iran in economic decline**

Iran's declining economy may curb the country's nuclear ambitions, a report said.

In an analysis published in this week's edition of the Proceedings of the National Academy of Sciences, Roger Stern, an economic geographer at Johns Hopkins University, wrote that Iran has mismanaged its oil reserves and could find income from the resource massively reduced by 2015.

Stern predicted that if the United States, which suspects Tehran of planning to build a nuclear bomb, holds off for a few years, it could find that Iran is far more willing to strike a diplomatic compromise deal. He advised against military action in Iran, saying this would merely stiffen the country's resolve.

"What they are doing to themselves is much worse than anything we could do," Stern wrote. "The one thing that would unite the country right now is to bomb them. Here is one problem that might solve itself."

**Long Island shul vandalized**

A New York synagogue was vandalized. The electric menorah outside the Bay Shore Jewish Center in Long Island was pushed over and its wires were mangled.

Members discovered the vandalism when they arrived Monday morning for services. This is the second such desecration in Long Island this month: On Dec. 17, an 8-foot-tall menorah in front of the St. James Chamber of Commerce was knocked over.

**Federations assess their approachability**

A new online assessment tool has been launched to help Jewish agencies be more welcoming. The United Jewish Communities and the Jewish Outreach Institute partnered to create "Creating a Welcoming Community," an online quiz.

Heads of federations and other Jewish institutions answer 30 questions about their agencies, then are given follow-up strategies to become more open and attractive to new people.

The tool was launched Dec. 15, and has been sent to local federations and rabbinic boards as well as the central agencies for Jewish community centers, Hillel and bureaus of Jewish education.

"It's a great place to start a conversation about how we welcome people to our federations and all the other institutions in a community," said Andrea Fram Plotkin, associate director of the United Jewish Communities' Renaissance and Renewal department.

Those who take the survey will not report the results to any central agency, but will use it to improve their own outreach.

## WORLD

**Rome mayor claims Holocaust museum**

Rome's mayor declared that Italy's planned Holocaust museum must be located in the capital.

Walter Veltroni confirmed last Friday that he wants the structure built on the grounds of Villa Torlonia, which stands over a Jewish catacomb and was the home of dictator Benito Mussolini from 1925-1943.

No construction date has been set, but Veltroni's declaration follows a controversy between Rome and Ferrara as to which city should host the museum.

Veltroni said Rome suffered the most among Italian cities, with more than 2,000 Jews deported, mostly to Auschwitz.

However, Ferrara, which lost almost its entire Jewish community, says it suffered more proportionally.