WITH THE INTIFADA that began in late 2000 petering out, and the number of Palestinian attacks on Israelis drastically reduced, 2005 was the year of "disengagement," the implementation of Prime Minister Ariel Sharon's strategy to leave Gaza and four settlements in the northern West Bank. Israeli politics during 2005 was largely the story of Sharon's success in outmaneuvering and overcoming those opposed to territorial withdrawal, including his dramatic departure from the Likud, which he had largely created, and establishment of a new political party, Kadima, committed to disengagement from heavily Arab areas in the territories. The stroke he suffered toward the end of the year, however, raised doubts about his plans and his new party as elections loomed both in Israel and the Palestinian Authority.

Domestically, the "social gap" triggered rising concern. While the government's free-market policies had undoubtedly boosted Israel's economic performance and enhanced the prosperity of many Israelis, the number of those living in poverty also increased, raising the specter of a widening disparity between rich and poor. This issue was likely to play as important a role in the 2006 national elections as the question of territorial disengagement.

**DISENGAGEMENT: POLITICS AND IMPLEMENTATION**

*Getting the Plan Approved*

On December 16, 2004, Prime Minister Ariel Sharon marked a year since he unveiled his plan to disengage from Gaza and some West Bank settlements by presenting a status report at the annual Herzliya Confere-
ence on National Security. He concluded, "We stand before a window of unique opportunity. Who knows when we will have this opportunity in the future?"

Many Israelis, however, especially settlers and those sympathetic to them, were resolved to stop any territorial withdrawal, and a number of rabbis had declared it against Jewish law to remove settlements. Sgt. Yossi Pilant became the first Israeli soldier to be jailed for antidisengagement activity on January 3, 2005. He was sentenced to 28 days in a military jail for calling on other soldiers to refuse to dismantle an illegal outpost.

The next day Sharon spoke to Israel's soldiers over Army Radio. He said: "Whoever raises a hand to a soldier or police officer or security official, whoever organizes refusal, whoever threatens—we will act against him with all our power." Sharon went on, "I heard the curses and catcalls and incitement against the army, against the Israeli police, against the commanders and against the soldiers. I ask that you don't take it personally; it's not directed against you, it's directed against the government, against the Knesset and against me."

Prime Minister Sharon's new cabinet, including Likud, Labor, and United Torah Judaism, was approved by the Knesset on January 10 in a narrow 58-56 vote. Among those casting "nay" ballots were 13 "rebel" members of Sharon's own Likud party, who opposed disengagement. The deciding votes were cast by Arab MKs Abdulmalik Dehamshe and Taleb a-Sana, who voted for the new government while other Arab MKs voted against it. In the new alignment, Ehud Olmert of Likud, the minister for trade, was vice prime minister, while Silvan Shalom of Likud, the foreign minister, and Shimon Peres of Labor were deputy prime ministers. Only on January 14 did Sharon and Peres work out the latter's responsibilities, which included representing the government on economic development, raising funds for the upcoming disengagement, development of Gaza with the PA, and development of the Negev and Galilee.

The Knesset, Israel's parliament, approved the Disengagement Implementation Law by 59-40 on February 17. It authorized government payments of NIS 3.8 billion (about $850 million) to 7,000–9,000 settlers in Gaza and the northern West Bank, and the start of their evacuation in the summer. Support for the landmark legislation came from some Likud MKs plus all those of Labor, Shinui, the United Arab List, and Yahad/Meretz. Opponents included the right-wing National Union, the National Religious Party (NRP), Shas, and 17 Likud MKs, including such prominent figures as Reuven (Ruby) Rivlin, speaker of the Knesset—a former Sharon confidant who broke with the prime minister over
disengagement—and Gideon Sa’ar, chairperson of the government coalition. The Knesset also rejected a right-wing effort to require a referendum on the disengagement.

This was not the first Knesset vote in favor of closing down settlements; in 1982, the Knesset authorized the evacuation of settlements in northern Sinai as part of the peace agreement with Egypt. But it was the first time that Israel’s legislature had approved removing settlements in the biblical Land of Israel: even if, as most authorities claimed, the Gaza Strip had never been considered an integral part of the Jewish homeland, the four settlements to be evacuated in the northern West Bank—Ganim, Kadim, Homesh, and Sa-Nur, certainly were.

Three days later, on February 20, the cabinet approved the disengagement plan by 17-5. (At the same time, in a 20-1 vote, the cabinet approved a revised route for the security fence that would take in less Palestinian land.) Speaking at the opening of the cabinet meeting, Sharon said: “This will not be an easy day, nor will it be a happy day. The evacuation of communities from Gaza and northern Samaria is a very difficult step. It is difficult for the residents, for the citizens of Israel, for me, and I am certain that it is difficult for the members of the cabinet. But this is a vital step for the future of the State of Israel.”

The plan got the support of several key ministers who had previously expressed misgivings, including Foreign Minister Silvan Shalom and Education Minister Limor Livnat; Shalom said he had “never dreamed I would see the day” that he would vote to evacuate settlements. Vice Prime Minister Ehud Olmert aimed his remarks at Benjamin Netanyahu, reminding the finance minister and former prime minister—who said he would vote against the plan—that once a decision was reached all the ministers were responsible to see it implemented. Olmert hinted at past “zig-zags” in Netanyahu’s position. Netanyahu responded by denying having changed his view, saying that a referendum on “an issue of such principle and value [was] absolutely necessary, and in the absence of such a referendum” he had no choice but to vote against disengagement. Another “no” voter, Minister of Diaspora Affairs Natan Sharansky, mentioned what he termed “the hatred and delegitimization” of the settlers, people who devoted their lives “to the fulfillment of Zionism.”

Sharon now had the authority to sign evacuation orders for all the Jewish residents of the Gaza Strip and those of the four settlements in the northern West Bank. The compensation law passed by the Knesset included a five-month delay between the decision to evacuate and the actual evacuation, to give settlers time to organize their move and receive
compensation. But the same law included harsh measures against those convicted of refusing to move by the end of the five months.

The Opposition Fights Back

Foes of the disengagement, including elements inside Sharon's own Likud, were undeterred. On March 3, the Likud Central Committee overwhelmingly approved a resolution urging the party's Knesset members to promote a referendum on the withdrawal. This was a blow to Sharon, who had consistently opposed such a plebiscite, arguing that approval of political moves, including withdrawal from land, was the prerogative of the Knesset. Even so, Sharon's personal popularity remained extremely high. In a survey conducted for the Yediot Aharonot newspaper by pollster Mina Tzemach, Sharon was the choice for party leader of 77 percent of Likud voters, compared to only 17 percent for his main challenger, Benjamin Netanyahu.

A bill that would have required a referendum before implementing disengagement was proposed in the Knesset on March 28, and overwhelmingly defeated by 72-29, with three abstentions. It was a crushing defeat for the antidisengagement "rebels" faction in the Likud. Among those eventually voting against the bill so as to keep their seats in the government were Likud ministers Shalom, Netanyahu, Livnat, Tzachi Hanegbi, Danny Naveh, and Yisrael Katz. Netanyahu, in fact, even while voting with the government, threatened to resign if Sharon did not accept the idea of a disengagement referendum within two weeks. Sharon ignored the threat, and Netanyahu backed down from it.

The vote was preceded by a stormy Knesset debate that saw several parliamentarians ejected because of repeated disturbances. In his speech, Deputy Prime Minister Shimon Peres said that one Likud rebel leader, former internal security minister Uzi Landau, was pushing the referendum proposal merely as part of his search for "tricks to stop the disengagement." For their part, right-wing MKs reviled Peres as a member of the "Oslo underground," referring to his instrumental role in formulating the 1993 Oslo Accords, which they considered a disaster for Israel. Before the session, settler leaders, aware that the proposal for a referendum would be voted down, sought to avoid a major defeat by withdrawing it, but Likud MK Michael Eitan, chairman of the committee that prepared the bill refused, saying: "It's over, we need to decide. You can't keep the entire nation in suspense."
After the vote the Yesha Council (Council of Jewish Communities in Judea, Samaria, and Gaza), representing the settlers, said it would take the fight to the streets. The pro-settler Arutz Sheva radio station quoted settler leaders as saying they were “transferring the struggle to the people and to the field, and were intending to turn up, along with more than 100,000 other people, in Gush Katif [in Gaza] and northern Samaria, in order to prevent the implementation of this plan.” MK Effi Eitam, the former leader of the NRP who, along with another colleague, had split off to form a new faction called Religious Zionism, added that since the Knesset had “voted against democracy and against the will of the people... hundreds of thousands of citizens whose right to vote in a referendum was denied will vote with their feet in Gush Katif, and will prove that the majority of the nation is against the disengagement.” Zvi Hendel, an MK from the far-right National Union, attacked Sharon personally as well. “It is the nation’s shame,” he said, “that the man at the head of the government is a coward, afraid to accept the people’s decision, [and is] buying votes by dictatorial and intimidating means.”

There were concerns on both sides about possible violence. On March 29, the day after the defeat of the referendum bill, Ha'aretz reported Public Security Minister Gideon Ezra as saying that an official from the Yesha Council had suggested collecting the weapons of Gaza residents prior to disengagement so as to minimize the possibility of settlers firing on police or the army. At a meeting with settlers, Ezra and national police chief Moshe Karadi began drawing up ground rules to prevent serious violence. “Since the struggle is over in the Knesset and has transferred to the streets, many people will be involved. And we, as a responsible leadership, feel we need to design the rules of the struggle together with the police to prevent extreme violence,” said Effi Eitam, who was at the meeting together with Benzi Lieberman, head of the Yesha Council.

On April 19 the cabinet discussed a proposal to delay the start of the withdrawal from the scheduled date of July 25 by three weeks so that it would not fall during the mourning period between the fasts of the 17th of the Hebrew month of Tammuz and Tisha B'Av. The delay was suggested by Yonatan Bassi, the kippah-wearing director of the Disengagement Authority, known by its Hebrew acronym, Sela. A government official told Yediot Aharonot that there was ample reason to accept the postponement, explaining: “They [the settlers] must be allowed to mourn the destruction of the Temple, which according to belief, was caused due to baseless hatred.” Defense Minister Shaul Mofaz approved the delay
over the reported objections of some army officers, who said it would require logistical changes and the possible call-up of reservists.

At the same time, according to a *Ha'aretz* report, it was decided that Nisanit, Dugit, and Alei Sinai, three villages at the northern end of the Gaza Strip, would be evacuated first, whenever the pullout took place. And though the pullout was still some months away, the army began preparations. Another form of preparation was a series of separate high-level meetings—between Peres and PA prime minister Ahmed Qurei (Abu Ala), between senior Sharon adviser and confidant Dov Weisglass and PA minister Sa'eb Erakat, between Sharon and U.S. envoys Elliot Abrams and David Welch, and between Defense Minister Mofaz and Muhammad Dahlan, the PA civil affairs minister, who discussed the establishment of joint security teams “to prevent the evacuation from being carried out under fire,” according to one official.

In early May, Diaspora Affairs Minister Natan Sharansky resigned in protest against the disengagement plan. In his letter of resignation, Sharansky, a former Prisoner of Zion in the Soviet Union who turned politician in the mid-1990s and had increasingly become identified with the far right, cited the need for democratization of the Palestinian government in Gaza as a prerequisite for an Israeli pullout. “Will we, by leaving Gaza, encourage freedom of expression and a judicial system that protects human rights? Will the incitement in the Palestinian education system cease? Will the terror groups be dismantled? The answer to all of the above is of course, no,” Sharansky said. Rabbi Michael Melchior, leader of the Meimad (Orthodox) faction affiliated with Labor, was given Sharansky’s portfolio, but without ministerial rank. Justice Minister Tzipi Livni and lawyers representing the Gaza settlers held a five-hour meeting on May 2 to discuss settler requests for increased compensation packages and to relocate to the coastal area of Nitzanim, near Ashkelon. Livni informed the settlers that the government favored the idea of building new settlements in the area, creating a “Gush Nitzanim” replica of Gush Katif without harming the unique dunes of the Nitzanim nature reserve. The government proposed the establishment of four new towns and also raised the possibility of building a new neighborhood in northern Ashkelon.

Meanwhile, debate raged over whether or not to tear down the homes left by settlers in Gush Katif after the disengagement. Sharon, at a ministerial meeting, opposed demolition, backed by Mofaz and Peres. Netanyahu, in the minority, said that leaving the homes intact would represent a moral victory for terrorists.
Getting Ready

On May 2, Peres met with James Wolfensohn, the former World Bank president who had became the Middle East envoy of the Quartet (the U.S., UN, EU, and Russia, acting on Mideast affairs). The agenda was to involve the international community, through the World Bank, in improving the Palestinian economy in Gaza, primarily by facilitating the export of Gaza-made products after the Israeli pullout. The next day, May 3, Amir Peretz, the Histadrut trade union leader who was seeking the leadership of the Labor Party, said that the party should remain in the government expressly to enact the disengagement plan, and quit as soon as it was completed.

The analogy used by some pullout opponents between disengagement and the Holocaust was addressed by Prime Minister Sharon on May 5 in Poland, where he had gone for Holocaust Memorial Day observances. Sharon declared the parallel spurious, saying, "The situation is completely different today. We are a sovereign state. We can no longer be forced to do the worst things."

In a special interview with Yediot Aharonot on May 13, the eve of Israel Independence Day, Chief of Staff Moshe (Bogie) Ya’alon said that the army was ready for all possible scenarios that might occur during disengagement, including clashes with Palestinians and/or with Jewish opponents of the pullout. Ya’alon rejected the idea that disengagement was a “gamble,” saying it contained both risks and opportunities. Still, he refused to say he could guarantee a better future for Israelis in the post-disengagement era. During the interview, Ya’alon attempted to contain his bitterness over the manner in which his term as chief of staff was being cut short (see below, p. 279).

In an address to the annual conference of AIPAC (American Israel Public Affairs Committee), held in Washington in late May, Sharon said that the disengagement could signal a “new era of trust” if Israel managed to coordinate its withdrawal plans with the PA. While disengagement would not be easy, Sharon said he remained confident that Israel would emerge stronger.

On the ground, settler animosity toward the government was mounting. Ilan Cohen, director general of the Prime Minister’s Office, was forced to cancel a planned May 25 visit to Gush Katif and meetings with settler leaders when he was blocked by angry residents at the entrance to one of the southern Gaza villages, Kfar Darom. Cohen had hoped to convince settlers to sign up for the Nitzanim relocation plan, which would
be canceled if an insufficient number of families registered in advance. By the end of May, only 99 families had submitted compensation claims to the Disengagement Authority, 69 of them residents of the four settlements in the northern West Bank that were due to be evacuated. In all, about 1,500 Jewish settler families lived in Gaza and another 200 in the northern West Bank.

But the numbers of those willing to relocate and accept compensation remained unclear because the settler leaders were anxious to minimize them and the government was equally ardent to make them seem as large as possible. In late May, as noted above, only 99 families had submitted compensation claims, but Yediot Aharonot claimed that about 1,000 settler families were ready to leave. There were also reports that families from Gush Katif planned to submit a letter to the High Court of Justice stating that, while they opposed the withdrawal, the court should press the government to move their whole community into Israel to ensure that they remained together. “If, God forbid, the uprooting occurs, it is our interest to have the whole bloc moved together. We shall not rest nor stay silent until a solution is found for everyone. We are interested in unity,” the letter said.

Palestinian cabinet minister Dahlan, on June 7, accused Israel of refusing properly to coordinate its planned withdrawal from the Gaza Strip with the Palestinians, charging that information that Israel had handed over regarding the settlements was outdated and “useless.” For example, he said, one of the documents the Israelis provided was a 1994 map of Gaza used during peace talks at the time. Dahlan asked, “Has the Israeli government forgotten that they expanded their settlements in the Gaza Strip since 1994? Do they think we are fools?”

Meanwhile, Peres and Wolfensohn met again on June 7 to discuss ways to improve the daily lives of Palestinians. One proposal was to ease passage between Palestinian territory in Gaza and the West Bank by building a rail link between the two areas. Yediot Aharonot said that a Euro-tunnel model, whereby Palestinians would enter the train at Erez Checkpoint in Gaza and exit in Hebron, was under consideration. Sharon had reportedly reacted favorably to the idea, because it would keep Palestinian road traffic between Gaza and the West Bank to a minimum. Settler bodies continued their fight against disengagement in the courts. On June 9, the High Court of Justice rejected 12 petitions challenging the constitutionality of the Disengagement Implementation Law and elements of the plan to compensate evacuees. In a 10-1 decision, the court
ruled against the settlers on the grounds that Israel did not have jurisdiction over the West Bank and Gaza Strip because they were not legally included within the borders of the State of Israel.

As Israel continued to debate whether or not to destroy the Gaza homes, Palestinian housing minister Mohammed Shtayyeh told Reuters that the PA planned to pull them down and replace them with high-rise apartment buildings. “If Israel does not destroy settlers’ homes, we will destroy them,” Shtayyeh said, adding that most PA cabinet members favored the demolition in order to make better use of scarce land in overcrowded Gaza.

In mid-June, Sharon told the Knesset’s Foreign Affairs and Defense Committee that Egyptian forces would deploy along the Egypt-Gaza border after Israel’s pullout from the Gaza Strip. Egypt, he said, would control the Philadelphi Corridor, a buffer zone on that border, and this could be done without amending Israel’s existing 1979 peace agreement with Egypt.

On June 28, Cpl. Avi Bieber, a son of U.S. immigrants, was sentenced to 56 days in military jail for refusing to obey orders to participate in the demolition of homes in Gush Katif. Bieber, 19, was convicted on three counts—refusing to carry out an order, threatening and insulting a commander, and giving media interviews against IDF regulations. “The soldier shouted profanities at his commanders and incited other soldiers to disobey orders,” said the Gaza division commander, Brig.-Gen. Aviv Kochavi, at a press conference that took place before the soldier was sentenced. “He was arrested and will be disciplined in the manner that the IDF deals with such cases. The IDF will not tolerate such behavior under any circumstances.” “I am proud that he was able to stand up and say what he feels,” the soldier’s father, Ralph Bieber, told the Jerusalem Post. The Bieber family moved to Israel in 1996 from New Jersey, and lived in Tekoa, a West Bank settlement not far from Bethlehem.

Confrontation

A day of massive, country-wide roadblocks was planned for June 29 to protest disengagement. In preparation, Sharon instructed police and security forces to take all steps necessary to prevent roadblocks and other disturbances. “We cannot allow a bunch of gangs to undermine our country,” the prime minister told a meeting of the security cabinet. When the day arrived, antidisengagement activists poured oil and scattered nails
and spikes on the Tel Aviv-Jerusalem highway near Kfar Chabad. By around 10 A.M. police had cleared the roads. Many right-wing leaders disavowed this kind of protest since it endangered human life.

That evening, in a less dangerous and much more widely supported protest, opponents of the disengagement plan blocked the road at the entrance to Jerusalem, about 20 activists jumping into the middle of the road and closing it off. Following clashes with the police, ten people were arrested. Among other road-blocking incidents in other parts of the country, protesters stopped traffic in both directions on a northern section of the Ayalon Highway, between the Keren Kayemet and Glilot junctions north of Tel Aviv. Some of the young people involved who were arrested refused to give their names or identify themselves to police; because of this, some remained in jail for weeks without the possibility of being freed on bail or by their parents.

Finance Minister Netanyahu said the following day that he would not join any antidisengagement move that would require him to leave the cabinet. Netanyahu told an economic conference in Jerusalem that the major reform programs he was pushing through the Knesset, including tax reductions and a capital market overhaul that would increase competition in the banking industry, would suffer if he left (see below, p. 263).

A large force of police, border police, and IDF troops stormed the Maoz Yam hotel in the Gaza settlement of Neveh Dekalim on June 30. About 100 extremists opposed to the disengagement had camped out in the hotel, which they enclosed with barbed wire. When security forces entered, they found the residents gathered in the dining room handcuffed to each other. Within 40 minutes the hotel was cleared, with no injuries reported among the activists or the security forces. Four extremists were arrested.

Around the time of this clash, the IDF closed off access to Jewish communities in Gaza, and then reopened the area the next day. Security sources explained that the decision to prevent Israelis other than local residents from entering the 21 Gaza settlements was intended to stop any additional influx of extremists who had attacked Palestinians and Israeli security forces in the Strip. “The lifting of this order is possible following the completion of the mission of taking over and evacuating the hotel in Neveh Dekalim, as well as the radical groups inside it,” the army said in a statement. At the same time, the IDF set a limit on goods and belongings being brought into Gaza in an effort to prevent “reinforcement” by activists moving into the Strip in advance of the early-August pullout date.
Meanwhile, Gen. William Ward, the U.S. security coordinator for the area, told the Senate Foreign Relations Committee that there had been only mixed success in transforming the Palestinian security forces from a collection of independent entities into a centralized body. Ward described the Palestinian security apparatus when he arrived in the region some three months earlier as “fractured” and “dysfunctional,” with loyalty to individual commanders and little responsiveness to central control. He said the Palestinians had begun to shrink the overall number of security organs from more than a dozen down to six, with an eventual goal of reducing that number to three.

On July 7, the Jerusalem Post reported that despite coordination between Israel and the Palestinians over the disengagement, the IDF had contingency plans to occupy large sections of Palestinian Gaza, if necessary, to assure an attack-free evacuation. The paper quoted one senior officer as saying PA security should be kept out of the area “to make sure they won’t get in the way of any bits of flying metal.” The Post also said the army was disdainful of Palestinian efforts to set up a new 5,000-man force to prevent looting of the Jewish settlements. “I have not seen a lot of armies able to recruit and train 5,000 men in 40 days,” the newspaper quoted a senior officer as saying. “I’m not optimistic, and that is an understatement.”

During the entire predisengagement period, Palestinian units in the Gaza Strip kept up their mortar and Qassam rocket attacks on Israeli targets, both inside Gush Katif and across the frontier into Israel proper. On July 14, one of four Qassam rockets fired on Netiv Ha’asara scored a direct hit on a building, killing Dana Galcowicz, 22, of Kibbutz Bror Hayil in the Negev. Netiv Ha’asara, a moshav, was only a few kilometers north of the Gaza Strip and had been hit by Qassam fire several times previously. David Baker, an official in the Prime Minister’s Office, said that “the Palestinian Authority is responsible for this fatal attack because it continues to refuse to take the necessary steps to fight terror.”

Two Israelis—Shimshon Citrin and Avinoam Krispin—were indicted on the morning of July 13 at the Beersheba District Court on charges of aggravated assault following the attempted lynching of a Palestinian youngster in Gaza. Citrin was also charged with attempted murder, while Krispin faced lesser charges. The incident occurred on June 29, following clashes between far-right activists and Palestinians near the unauthorized Jewish outpost of Tal Yam in Gaza.

On July 11, meanwhile, antidisengagement protesters managed to sneak a dummy bomb into Jerusalem’s Central Bus Station and attach it
to a “balloon” natural gas tank designed for household use. It was discovered, and a few days later two soldiers, Meir Bartel and Arie Katz, were arrested for placing the “bomb” after they were identified on surveillance-camera tapes arriving separately at the busy terminal in uniform, one carrying a military backpack containing the gas balloon, a clock, and some wires. The soldiers then met in the third floor men’s bathroom where they placed the bag and left.

As right-wing rabbis and settler leaders continued to urge soldiers to refuse orders to evacuate settlements, Maj. Boris Albert of the IDF’s technology and logistics branch became the first officer to face criminal charges for refusing orders when he declined, in mid-July, to take part in security operations around Kfar Maimon. At about the same time, Chief of Staff Dan Halutz approved a series of steps to toughen disciplinary measures against other soldiers and officers who might refuse orders, and on July 18 President Katzav urged the Yesha Council, the attorney general, and the prime minister to agree on guidelines for what was permissible and what was not concerning the disengagement. “We must not force a dilemma upon young soldiers where they have to choose between carrying out military orders or respecting their rabbis,” he said.

Protests

Settlers and their supporters organized what they called “the biggest and most complex protest march in the country’s history.” Despite police efforts to stop them from getting there, tens of thousands of antidisengagement activists gathered on July 19 at the Negev development town of Netivot for a planned march to the Kissufim junction, the main entry point to the Gush Katif area of the southern Gaza Strip, where they planned to force their way in as a last-ditch effort to hinder the disengagement. After a prayer rally in Netivot, the assembly marched a few miles to the village of Kfar Maimon, where they were stopped by a force of police and soldiers estimated at 20,000. At the same time, police in other parts of the country stopped buses chartered by the demonstration’s organizers to prevent thousands more from getting to the scene.

The next day there was a standoff at Kfar Maimon as troops—many of them young draftees only a year or two older than the demonstrators they faced—stood impassively outside the locked gates of the settlement while protesters inside harangued and argued with them, urging the soldiers to refuse what they called “immoral” orders to participate in the disengagement operations. As it became clear that the police and army lines
were not going to crack and that the national leadership was determined to stop the demonstrators from reaching Gaza, some of the protesters began to drift away and head for home. But Pinhas Wallerstein of the Yesha Council said that resistance would not cease. “As long as this terrible decision stands, there will be a constant presence to prevent it,” he told Army Radio.

That determination was shared by many others in the throng of protesters, most of them wearing the distinctive clothing of Orthodox Jews or shirts of orange, the color of the antidisengagement forces. Though public-opinion polls showed most Israelis in favor of disengagement, settlers refused to believe them. “We feel most of the people are with us, and no one can pull the wool over our eyes,” Moshe Abuhatzeira, a 56-year-old carpenter from the Alon Shvut settlement in the West Bank told a Jewish Telegraphic Agency reporter at Kfar Maimon. “We are determined to prevent the evacuation of any settlement.”

On July 26 the IDF announced the complete closure of the Gaza Strip to nonresident Israelis (previously, only those on a list of restricted persons had been barred). Though disengagement itself was three weeks off, the continuing influx of pullout opponents impelled the enforcement of tighter entry restrictions. At the time, the army thought that about 2,000 pullout opponents had joined the 8,000 Israelis living in Gush Katif. Many of these protesters entered legally and then failed to leave upon the expiration of their passes. The IDF said it planned no special operation against the outside “reinforcements,” many of whom had moved in with residents or joined makeshift settlements set up by other outsiders, but would remove them together with the bona fide residents.

Rabbi Shlomo Amar, the Sephardi chief rabbi, visited Gush Katif that day and met with families whose loved ones were buried in its cemetery. Amar had volunteered to mediate between the government and the families in an attempt to move the graves to the Mount of Olives, which the rabbinate ruled was acceptable according to Jewish law. But the bereaved families wanted to leave the graves intact despite the possibility that they would be desecrated by Palestinians after disengagement. On August 3, 31 families with members buried in Gush Katif reached an agreement with the government to move the graves, most of them to Nitzan, near Ashkelon. But an official source told Yediot Aharonot that “all the rest of the families have refused to have contact with us, the topic is very sensitive, and many families began to negotiate but then stopped.”

The antidisengagement forces staged another rally on August 2–3, starting at the border town of Sderot near the northern end of the Gaza Strip. The government banned the march, which police said drew 25,000
people but which settler leaders claimed drew 35,000—50,000. A force of 15,000—20,000 police and soldiers blocked the way to the Gaza Strip. Vice Prime Minister Olmert called the march an undemocratic act, telling Army Radio that it was “an attempt by the demonstrators to create a confrontation. This is an attempt to determine by force the governmental stance of the State of Israel.” On the other side, settler leader Wallerstein expressed determination to force a showdown. “We will march to Gush Katif,” Wallerstein said. “This time they will not stop us. The battle will be determined but nonviolent.” In the end, the marchers were only able to get to another Negev town, Ofakim, though some did try to break through into Gaza.

Despite the show of confidence—and the steadfast belief of many in the settlements that they would be delivered by a miracle—there were already some who recognized, albeit quietly, that the outcome of the struggle was already determined. One settler leader, for example, speaking anonymously, told The Guardian, a British newspaper, “I think we have to face up to the fact that Gaza is lost. Sharon is determined. He’s staked his political life on it.” This man was already looking ahead, noting, “there’s still a lot to fight for. There are small settlements caught on the wrong side of the fence [the West Bank security barrier]. We want all of Israel to know that if this government, or any government, thinks that after this it can start to surrender them next, then there will be a very high price to pay.”

By July 31, Israel and Egypt had reached an agreement in principle for the deployment of 750 Egyptian border guards along the Philadelphia Corridor, paving the way for the IDF to pull out from the Gaza-Egypt border. Maj.-Gen. Amos Gilad, head of the Defense Ministry’s political-security branch, met with Egyptian intelligence chief Omar Suleiman and other officials in Cairo to settle several issues that had proven to be sticking points in the past. “Each side agreed to assume responsibility for areas under its control,” the Jerusalem Post quoted an Israeli officer as saying. The agreement still needed to be approved in the Knesset, which was then in recess for its summer break.

**Tensions Rise**

Meanwhile, police officers were being trained for both the physical task of disengagement and the psychological challenges involved. A report in Ha’aretz described how police simulated an evacuation sequence while others, dressed and acting as protesters, hurled epithets, slurs, and
assorted verbal abuse. The officers assigned to evacuating settlers practiced removing protesters who had attached themselves to gates and homes, and also took part in a simulated Palestinian mortar attack during the evacuation.

Efforts to infiltrate the strip continued, sometimes at great risk to the protesters. IDF soldiers nearly shot antidisengagement activists who infiltrated the northern Gaza settlement of Nisanit on August 4, initially mistaking them for Palestinian terrorists. At the same time, police confirmed that some 200 demonstrators had successfully infiltrated Nisanit the same night, and that security forces arrested 90 activists who had reached the Kissufim crossing. According to the police, 1,500 people tried to break through the human chain of security forces barring demonstrators assembling in the Negev town of Ofakim from reaching Gush Katif. A senior IDF officer said it was time to “put an end to these games that are endangering lives.”

In a move that commentators quickly identified as preparation for challenging Sharon for the Likud leadership, Benjamin Netanyahu resigned from his ministerial post on August 7. The now former finance minister said he had wanted to stay on to continue his program of economic reform, but could no longer hold back his opposition to the disengagement. “There comes a moment of truth when a leader should ask himself ‘What do you represent? What do you fight for?’” he said. “I can’t be part of a move that I think compromises the security of Israel, tears the people apart, and enshrines the principle of withdrawal to the indefensible 1967 [pre-Six Day War] lines and that I think in the future will risk the unity of Jerusalem.” In a 20-minute address in Jerusalem that smacked of campaigning, Netanyahu sought to dispel the idea that he was putting his personal ambitions ahead of the national interest, saying he acted out of fear that a postdisengagement Gaza would “become an Islamic terror base that will endanger not only Israel but others in the world.”

On August 10, speaking to the Knesset, Netanyahu seemed to say that parliament, which had authorized the pullout, could hinder it as well. “Only we in the Knesset are able to stop this evil. Everything that the Knesset has decided, it is also capable of changing. I am calling on all those who grasp the danger: gather strength and do the right thing. I don’t know if the entire move can be stopped, but it still might be stopped in its initial stages. [Don’t] give [the Palestinians] guns, don’t give them rockets, don’t give them a seaport, and don’t give them a huge base for terror,” he said.
Two former chief rabbis, Avraham Shapira (Ashkenazi) and Mordechai Eliyahu (Sephardi) issued a joint religious decree forbidding Orthodox soldiers to participate in the removal of settlers. The attorney general said he would investigate, and eventually decided that taking steps against the rabbis would only exacerbate the situation.

In the inflamed atmosphere, some zealots went far beyond even what the strongest antidisengagement advocates favored. On August 4, Eden Natan Zada, a 19-year-old AWOL soldier wearing his IDF uniform and carrying his army-issue M16 assault rifle, boarded a bus in Haifa and, in the Arab village of Shfaram, opened fire inside the vehicle, killing four people. The dead were identified as Michel Bahud, the driver of the bus, and three passengers, Nader Hayak and sisters Hazar and Dina Turki. After the shooting a mob surrounded the bus, ignored police efforts to disperse them,stormed the bus, and beat Natan Zada to death. He had left the army without leave in June in protest against the disengagement and spent time in Tapuah, a West Bank settlement whose residents included members of the banned Kahanist Kach movement. The army refused to allow Natan Zada a military funeral, and Rishon Lezion, where his parents lived, ruled that he could not be buried in the municipal cemetery. His father told reporters that he and his wife had warned the army that their AWOL son was a security risk, but had been ignored.

And on August 17, Asher Weissgan of Shvut Rachel, in the West Bank, killed four Palestinians and wounded another in a shooting attack near the large settlement of Shilo. Weissgan, a driver who transported Palestinians to and from work in the Shilo industrial area, reportedly had lunch with his victims. Then he drove them to a security station, took the weapon from the security guard there, and opened fire on the passengers and passersby. He then returned by foot to the industrial area and shot another Arab worker in the factory. The dead were brothers Bassam Moussa Tawafsha and Usama Moussa Tawafsha, Muhammad Hassan Mansour, and Khalil Walwil.

According to a report in Yediot Aharonot, Weissgan said he acted "out of a desire to stop the disengagement and be a role model for other people to follow in my footsteps... It was my opportunity to do something." Arab MK Ahmad Tibi said that the killing was an expression of a mentality. "The settler epitomizes a large and widespread culture in Israel, the foundation of which is hatred of everything Arab," Tibi said. Referring to clashes between police and Israeli Arabs after the onset of the intifada, he added, "He saw how the police shot 13 Arab citizens in October 2000 and how the killers remained free, so he has done the same thing, thinking that an Arab can be killed with impunity."
After months of negotiations, a deal to compensate Israeli settler farmers in Gaza for the greenhouses that they were leaving behind was reached on August 12, enabling the greenhouses to be handed over to the Palestinians. The deal involved $14 million in compensation for the settlers—the money put up by a consortium of wealthy Americans—and was put together by James Wolfensohn, the former World Bank president, who contributed $500,000 of his own money. "The arrangement gives a real opportunity for the Palestinians and makes the departure of Israelis from Gaza much easier," Wolfensohn told The New York Times, adding that he believed "the Palestinians are trying to make this a peaceful transition—at least the Palestinian Authority is."

Israeli and Palestinian officials had discussed the greenhouses, unsuccessfully, for months. Settlers complained that the government was not offering sufficient compensation, and threatened to destroy computerized irrigation systems and other valuable equipment needed to keep the greenhouses running. The Palestinians, meanwhile, refused to agree that U.S. government or international aid funds be used to compensate settlers. According to The New York Times, the donors—except for Wolfensohn—gave the money through the Aspen Institute, a private business and public-policy advocacy group that had set up a program to facilitate investment in Gaza and the West Bank a year earlier. (In February 2006, the greenhouses would be severely damaged by Palestinian vandals, who used bulldozers to destroy some of the structures and crush the expensive irrigation and temperature-control equipment.)

Prime Minister Sharon, speaking on the eve of the disengagement, said that no one should misinterpret why Israel was leaving Gaza and the northern West Bank. "It is out of strength and not weakness that we are taking this step," he said, adding that he once had hoped that Israel would not have to leave, but now recognized there was no alternative. President Katzav also spoke to the nation, noting that no matter what opinion individuals might have about the withdrawal, all should recognize that it constituted a national trauma. "Up to now we have remained steadfast in the face of difficult campaigns thanks to our unity, our determination, and our faith. Let us continue to do so with increased faith and determination," the president said.

Carrying Out Disengagement

On the morning of August 15, the evacuation formally began as IDF soldiers began to move from house to house distributing formal notices to residents of 15 of the 25 settlements to be evacuated. Two days later,
the army and police began to implement the plan they had been working on and training for over a period of months, employing tens of thousands of security personnel to remove settlers who refused to go, "with determination and sensitivity."

By the deadline, several hundred settler families had already left Gaza. It was thought that many more would do so when the troops actually came to their doors. Col. Erez Katz, the IDF officer overseeing the pullout on the ground, said many settlers "will have registered their protest by staying on after the deadline, and if they leave in [the next] 48 hours they will not lose any of the compensation." The evacuation of each settlement was a complicated operation involving six rings of security forces. The squads that went from house to house were composed of a combination of 17 soldiers and police officers. The task of the forces under Katz's command was complicated by the presence of several thousand settler "reinforcements"—most of them young adults or teenagers from settlements in the West Bank—who managed to slip into the Gush Katif settlements in the weeks before the disengagement.

That same day, August 15, the cabinet approved the second stage of the pullout, from the remaining 15 Gush Katif settlements. Voting against were four Likud ministers—Limor Livnat, Yisrael Katz, Danny Naveh, and Tzachi Hanegbi.

As the evacuation moved forward, many settler supporters from outside the area tried to get into Gush Katif, but were blocked by the multiple rings of security forces controlling access. Troops were deployed around the settlements on the night of August 15–16, but the physical evacuation of those settlers who refused to obey the deportation order willingly started only on the morning of August 17. On that day police forces began going house to house to remove the residents of Neveh Dekalim, Ganei Tal, Morag, Bdolah, Tel Katifa, and Kerem Atzmona.

In these and, later, other communities, a familiar pattern emerged: a police unit knocked at the door, was greeted by the family, and came into the living room of the home, where settlers berated them about what they were about to do. Eventually, the settlers were taken away; some walked out of their homes onto waiting buses on their own, but others had to be carried out. Some settler children, wearing the orange color of resistance, raised their hands in a way reminiscent of the famous photograph of a Jewish boy during the Nazi evacuation of the Warsaw Ghetto.

On August 17, Yelena Bosinov, 54, from the West Bank settlement of Kedumim, set herself on fire not far from an army roadblock near the Negev town of Netivot to protest the disengagement. Bosinov, an engi-
nner who had arrived in the country five years earlier from Russia, died of her injuries and was buried on August 19 in Kedumin. One of her friends, Asia Antonov, told reporter Lily Galili of Ha'aretz that Bosinov had “exhausted every avenue of legitimate civic protest. She worked for a referendum, went to demonstrations and parlor meetings, wrote letters to the Russian-language newspapers. She also went to protests at junctions, and was twice detained for questioning. She did everything, but had the feeling that nobody was listening.”

The next day, evacuation forces moved on to Kfar Yam, Shirat Hayam, Kfar Darom, Netzer Hazani, and Gan Or. At Kfar Yam police stormed the building where resistance leader Arye Yitzhaki and about 40 others had barricaded themselves on the roof of a building. Yitzhaki brandished an assault rifle as he warned soldiers of bloodshed if they stormed the roof, according to a Yediot Aharonot report. But he later said that “my weapon is meant for self-defense and will not be used, unless they aim weapons at us.”

In nearby Shirat Hayam, police used a construction crane to reach the roof where protesters were holed up. Among the latter were Noam Federman, a right-wing activist and former leader of the banned Kach movement, who was supposed to be under house arrest in Hebron, and Rabbi Ya’akov Meidan, one of the heads of the Har Etzion yeshiva in the West Bank and a leading advocate of dialogue between Orthodox and secular Israelis. Meidan, who was among about 50 people in the local synagogue, told Yediot Aharonot: “This place was built by Jews, we are praying and studying Torah, and we will not leave until they drag us out.”

Police storming the roof of the Kfar Darom synagogue on August 18 were doused from above with paint, oil, and a burning substance police later said was caustic soda. Many officers, screaming in pain, removed their uniforms to clean their bodies of the substance. Eventually they reached the roof and evacuated the protesters, more than 50 of whom were arrested. One of those on the roof, Yaniv Sana, explained the ferocity of the resistance to a Yediot Aharonot reporter: “We did everything so that our children and grandchildren will remember that we fought to stay here in Kfar Darom.” Later, Miriam Goldfisher, whose son was on the roof, claimed that the caustic substance was used by police, not settlers, and MK Shaul Yahalom of the National Religious Party accused the police and the State Attorney’s Office of being “partners in one big blood libel” by charging the protesters with using the substance.

Prime Minister Sharon told Yediot Aharonot that watching the forced removal of the settlers from Kfar Darom was one of the saddest days of
his public life. But he said his sadness turned to rage later in the day as he watched the paint and caustic soda attacks on the police. "This is a bunch of wild people sent to Kfar Darom by the various eye-rollers [hypocrites] in an attempt to prevent physically the implementation of the decisions of the government and the Knesset," he said.

The evacuation of Neveh Dekalim, the "capital" of the Jewish settlements in Gush Katif, was also completed on August 18. During the day thousands of unarmed police and soldiers had to use force to remove hundreds of protesters holed up inside the Ashkenazi and Sephardi synagogues in the settlement. First there were lengthy negotiations between police and settler leaders. When the decision to move in was taken, police cut electricity to the synagogue, silencing a speaker system on which protest leaders exhorted those inside to stand firm. The troops then used a bullhorn to announce to the demonstrators that they had ten minutes to get out, and then rushed in. The protesters linked arms and sat on the floor as they were taken out, one by one, many of them kicking and shouting, "Jews don't expel Jews!"

Removal of most of the Gaza settlers had been completed by Friday, August 19, before the operation was halted for the Sabbath. The last settlement evacuated before the onset of the Sabbath was Gadid. Troops moving into the settlement had to clear away burning barricades, and then they confronted several families and a few dozen youths who were holding out in the synagogue. They were swiftly detained, but seven escaped by kicking out the back window of the bus carrying them back into Israel, and sought to hide in a neighboring Palestinian enclave, al-Mawasi. Two were captured, and the army asked the Palestinians to turn over the rest of them.

A poll published in the weekend Yediot Aharonot indicated that 59 percent of Israelis surveyed backed the disengagement, and 89 percent approved of the way the security forces had carried it out. By the time the operation was put on hold, about 1,300 families had left their homes under military order or had been carried out. The army said it expected the Gaza Strip to be completely cleared of settlers by the following Monday or Tuesday, less than a week after the pullout began. This was far faster than Mofaz's three-week estimate for the withdrawal operation, or the even longer estimate made by the army.

The evacuation of the last settlement, Netzarim, at the southern edge of Gaza City, took place on August 22. After troops arrived, some of the residents left voluntarily. The rest gathered at the local synagogue, where they held joint prayers with solders, and then walked out carrying their
Torah scrolls. According to a report in the *Jerusalem Post*, Netzarim’s rabbi, Zion Tawill, told his congregation before the final prayer, “the way of Netzarim is not to break the nation, but to add to the stature of the nation. We have no interest in saying to the nation that we are stronger than it.”

**The Aftermath**

Israel began demolishing settlement buildings, using tractors and bulldozers to knock down cinder-block and mobile homes. On Sunday, August 21, security forces cleared five Gaza settlements—Atzmona, Katif, and Slav in Gush Katif, and Elei Sinai and Dugit in northern Gaza. Britain’s *The Guardian* newspaper reported that hundreds of Palestinians from Rafiah, in the southern Strip, gave a prayer of thanks outside the gate of the empty Pe’at Sadeh settlement, as Palestinian security forces maintained a cordon around the place so they could not enter.

Speaking at the start of the August 22 cabinet meeting, Prime Minister Sharon defined the resettlement of the displaced settlers as “a national mission.” He told the ministers that “we are now being tested regarding the degree to which we succeed in dealing with the evacuees as quickly as possible.” The settlers, meanwhile, were being moved into temporary homes in various parts of the country. Some were put up in hotels in Jerusalem and Ashkelon, others moved into a mobile-home community built for them just north of Ashkelon.

Despite promises that the settlers would be relocated quickly, at year’s end many were still in temporary quarters, without permanent homes or jobs. According to a report compiled by a committee of former Gush Katif residents, about 50 percent of the evacuees had not received any payments from their compensation packages, and close to 90 percent had not gotten “full compensation,” calculated on the basis of lost land, lost wages, family size, and other factors.

But Haim Altmann, a spokesman for the Disengagement Authority, told the Jewish Telegraphic Agency that some 815 people had received full compensation totaling about $225 million. In addition, 233 people had gotten 75 percent of the money due them, while others received smaller amounts. Further payments to former settlers were in the works, he added, and some families, apparently believing up to the last moment that the evacuation would not take place, had only recently applied for compensation.

On August 24, a rightist group calling itself the International Head-
quarters to Save the Land and People of Israel announced plans to create a Holocaust museum in Jerusalem to commemorate evacuated communities in Jewish Gaza. It said it would display photos, videos, and memorials, employing former residents of Gush Katif as tour guides. The use of Holocaust terminology to describe the disengagement came as no surprise. Anti-expulsion protesters and residents being removed from their homes used Nazi-era imagery repeatedly, some shouting at soldiers, "You know the last time soldiers said they were 'just following orders'? The Holocaust!" MK Yosef (Tommy) Lapid, a Hungarian-born Holocaust survivor and leader of the left-leaning party Shinui, took umbrage at the Holocaust imagery. "It's pathetic that people are warping history to get ahead in politics," he said. "They call the IDF the SS, and compare people living in hotels to people murdered in gas chambers."

Sharon and Palestinian president Mahmoud Abbas spoke briefly on the phone on August 22. It was the first contact between the two men since they met on June 21 in Jerusalem. The cabinet on August 28 approved a plan to allow Egypt to deploy 750 troops along the border between Gaza and Egypt to prevent weapons smuggling into the Palestinian territory. This would enable Israel to withdraw its troops from a security strip on the Gaza-Egypt border, a key step in the pullout. Israel also began exhuming the 48 bodies buried in the Jewish cemetery in Gaza for reburial inside Israel. Many of the dead were reburied at the Nitzan cemetery near Ashkelon, although some relatives chose to have their loved ones reinterred at other locations around the country.

The cabinet voted unanimously on September 11 to leave Gaza completely by the next day, ending 38 years of IDF presence. Palestinians boycotted the official handover ceremony due to dissatisfaction over two Israeli cabinet decisions, one to close the Rafah border crossing and the other, passed 14-2 after a period of uncertainty, not to destroy the two dozen synagogues of Gush Katif. "They throw these two problems in our faces, and it's really unfair," said Palestinian negotiator Sa'eb Erakat.

The synagogues did not remain standing for long. Palestinian mobs quickly moved in and destroyed the former places of worship. "Hours after the Israelis left the settlement of Neveh Dekalim, young Palestinians were tearing aluminum window frames and metal ceiling fixtures out of the main synagogue there, as fires burned inside. The Palestinian flag and the flag of the militant group Hamas flew from the roof," reported The New York Times on September 12.

Israeli foreign minister Shalom expressed the outrage of most Israelis, calling the arson "a barbaric act by people who have no respect for holy
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places.” Yuval Steinitz, the hard-line chairman of the Knesset Defense and Foreign Affairs Committee, said that the burning of Gaza synagogues proves “we have no genuine, responsible partner for peace on the other side, but at most, a partner for excuses.” According to Yedioth Aharonot, certain unnamed Jewish extremists were openly advocating that Israel retaliate by leveling the Al-Aqsa Mosque in Jerusalem.

The IDF completed its withdrawal from the Gaza Strip on September 12. Since the initiation of military rule on June 6, 1967, 266 Israelis—87 civilians and 179 members of the security forces—were killed. Included in this number were the 43 civilians and 97 military and security personnel killed since the start of the intifada in late September 2000. In addition, 1,074 civilians and 3,777 security personnel were wounded in the Strip during that period.

The army completed its evacuation of the four settlements in the northern West Bank on September 21, having moved all the civilians out on August 23. Minutes after the last IDF vehicles left Ganim and Kadim, near Jenin, thousands of Palestinians moved in. They set rubble ablaze and fired volleys into the air, as they had in Gaza. But there was no burning of Jewish houses of worship.

In mid-September, Rabbi Ovadia Yosef, the Shas spiritual leader, said in his weekly sermon what others in the antidisengagement camp had been saying in private—that the natural disasters that had hit the U.S., including the devastating Hurricane Katrina, were linked to U.S. support for disengagement. President Bush, the rabbi added, “perpetrated the expulsion . . . this is his punishment for what he did to Gush Katif, and everyone else who did as he told them, their time will come, too.”

On Friday night, October 15—a day after the conclusion of Yom Kippur—Maj.-Gen. Elazar Stern, an Orthodox Jew and head of the IDF’s personnel directorate, was cursed, shoved, and hit by stones near the Western Wall. According to a police spokesman, officers had to encircle Stern and his family to separate them from about 100 protesters angry about Stern’s role in the disengagement.

The Political Campaign Begins

To no one’s surprise, Benjamin Netanyahu, having resigned from the cabinet in protest against the disengagement policy, announced his candidacy for the Likud leadership on August 30. The former prime minister and finance minister pushed for a quick Likud primary and leveled a scathing attack on Sharon, declaring, “The man who received our votes
to lead the party in the Likud spirit has turned his back on us. Sharon has abandoned the Likud’s principles and chose the way of the left. He is threatening to destroy with his own two hands the home he helped build. This is why we must all protect the home, because we have no other. We must return to the Likud the principles that Sharon trampled: uncompromising security, in the sole hands of the IDF, and no concessions without compensation.”

Sharon wasted little time in counterattacking, pointing to Netanyahu’s record as prime minister from 1996 through 1999. “In any situation of pressure he [Netanyahu] immediately gets stressed. He panics and loses control. I’ve seen him like that more than once, many times,” the prime minister told Channel 10 TV. “To run this country, to deal with the most complex and difficult problems, you need judgment and nerves of steel. He has neither.”

Likud right-wingers were taking a risk in challenging a proven vote-getter like Sharon. But they seemed so bent on revenge that they did not worry about the consequences. “The Likud has stopped acting rationally, and now they are all reacting from their guts,” TV and newspaper political commentator Ben Caspit told Army Radio. “They are setting Rome on fire, and Netanyahu is playing the fiddle.”

Sharon won a narrow victory over Likud hardliners in the Likud Central Committee on September 26. The vote in the 3,000-member committee was on a motion initiated by the prime minister’s opponents to push up the date of primaries to choose a new party leader from April 2006 to November 2005. Before the vote, Sharon openly threatened that if the balloting went against him, he could very well leave Likud and set up a new center party. The motion was defeated by about 100 votes, and Sharon’s supporters claimed the result a vote of confidence in the prime minister. Netanyahu, however, said that the close vote indicated how bitterly the party was divided, and predicted that he would still prevail in the leadership primaries. His faction, he claimed, represented the true ideology of the party. “I expect to see this camp with all its force when it fights for the path of the Likud in the primaries and I have no doubt in the second phase we will win and the Likud will win,” Netanyahu said.

Both Prime Minister Sharon and his party suffered embarrassment at the Central Committee session at the Tel Aviv Fairgrounds a day before the balloting. When the prime minister got up to speak, the loudspeaker system in the large hall was mysteriously disconnected and no one could figure out how to turn it on again. After a few minutes of waiting, Sharon marched out of the hall with his entourage of security men and aides. A
Likud source later claimed that someone had poured a bucket of water on the electrical system. The man allegedly identified himself as a Gaza evacuee and said that he and several others like him had done the deed. "Sharon disconnected us from home, and we'll disconnect him from the microphone and from power," said the man, whose statement was not confirmed by any settler organization. Before Sharon rose to approach the microphone, a group of Central Committee members carrying orange placards, the color of the antidisengagement movement, marched out of the hall.

In the undelivered speech, whose text was reported by Yediot Aharonot, Sharon had planned to say: "The vote tomorrow is not a technical vote. It's a move meant to remove me and an expression of no-confidence in the way the Likud has been leading the country, and all because of desire for revenge and uncontrollable personal ambition," clearly referring to Netanyahu. "This will be suicide that would crush the Likud and lead it to one place only, the opposition." The Central Committee members, Sharon planned to say, were choosing "what kind of Likud we want. We will decide whether it will be Likud at the heart of the national consensus or a radical Likud pushed to the margins. A large, influential ruling party or a small party without influence . . . ."

Just after turning back the rightist effort to push up the date of the Likud primaries, Sharon did his best to squelch talk that he was contemplating a second disengagement. Peter Hirschberg, a senior editor at Ha'aretz, quoted Eyal Arad, a close Sharon adviser, as saying at a private meeting of the prime minister with his aides: "If we see over time that the impasse [with the Palestinians] continues, then even though Israel's diplomatic situation is comfortable, we might consider turning this into an Israeli strategy. Israel would determine its borders independently." But Sharon denied any such plan, telling a meeting of business leaders in Tel Aviv that the only policy guideline now was the "road map."

Sharon suffered an embarrassing but not fatal defeat in the Knesset on November 7, when his nomination of two cabinet ministers failed by 60-54. The "rebel" hardline Likud MKs, led by former internal security minister Uzi Landau, joined the opposition to defeat the nominations of Roni Bar-On as trade minister and Ze'ev Boim as minister of absorption, Sharon said after the vote, "There will be consequences." The Likud rebels, for their part, accused Sharon of using the two cabinet posts as payoffs in return for the support the two nominees gave him on the disengagement. Sharon had, in fact, submitted the two nominations together with that of Ehud Olmert, who then held the industry, trade and
labor portfolio, as finance minister in place of Netanyahu, as an all-or-nothing package. He got nothing, but, in the end, the Likud rebels agreed to ratify Olmert’s nomination as well as that of Labor’s Matan Vilna’i as science minister, in separate votes.

Two Political Surprises

Upstart Amir Peretz, the leader of the Histadrut trade union federation, won a stunning upset victory over party veteran and Nobel Peace Prize laureate Shimon Peres in the Labor Party primaries on November 10. After trailing badly in public opinion polls, Peretz won the party leadership and became Labor’s prime ministerial candidate by taking slightly over 42 percent of the vote. Peres received just under 40 percent, and former party head Binyamin Ben-Eliezer finished third with 17 percent. In his victory speech, Peretz called on the defeated Peres to cooperate with him. “Shimon,” he said, “unlike others in the past, when I say it, I mean it, I really need you, I really want you by my side, I want your advice. If not for me, for the party, and if not for the party, do it for the state, for our children.” Peretz promised to “separate” Labor from the Sharon government, to order the party’s ministers to resign and return to the opposition. “The ability of the Labor Party to become an alternative to the rulers can be fulfilled only if we return to ourselves,” Peretz said. “The dependency on the Likud distorts the identity of the Labor Party.”

Peretz proposed a meeting with Sharon the following week to discuss early elections. But although Labor’s exit from the coalition in conjunction with the disaffection of the dozen “rebel” Likud MKs would almost certainly force the collapse of the Sharon government, Peretz complained that the prime minister did not answer his phone calls—which, characteristically, Peretz dialed himself.

A new image—the Moroccan-born Peretz emphasizing a social agenda rather than national defense, the traditional focus of major political party leaders—gave Labor an initial boost in the polls. A survey for Ha’aretz by the Dialogue polling agency showed Labor taking 28 seats, up from its current 19, as against 39 for Likud under Sharon. If Sharon, embattled within his own party over the disengagement policy, were to form a new list together with Peres, that party would take 32 seats, Labor 27, and Likud under Netanyahu 25, the poll said.

The surprise victory of Peretz, 53, who grew up and still lived in Sderot, a development town near the Gaza Strip, was interpreted by some as re-
fleeting deep discontent inside the party with the Ashkenazi elite that had previously dominated Labor and its predecessor party, Mapai. Commentators called the upset victory Israel's biggest political revolution since 1977, when Menachem Begin led the Likud to victory after 29 years of Labor rule. "It's not an upheaval, it's a revolution," said Daniel Ben-Simon of Ha'aretz. To be sure, a more mundane factor in the surprise result was the superior organization of the Peretz supporters, including members of his former party Am Ehad (One Nation), which had merged into Labor, as well as forces from the Histadrut trade unions.

Shortly after his election, Peretz the socialist union leader tried to reassure the public—and particularly middle-class, Ashkenazi voters—that he was not about to embark on wild-eyed economic adventures. "I don't intend to damage the free market and competition. But I intend that the free market in Israel will be a market that will serve people and the competition will be fair, such that it won't turn us into a jungle in which people lose their ability to survive," he said.

Commenting on his unexpected defeat, Shimon Peres said he had nothing to be embarrassed about, and defended Labor's presence in the Likud-led government. "To my taste, I would prefer to spend the next year not electioneering but continuing to build peace and to build the economy," he told an economic conference less than 24 hours after the results of the Labor primary were announced.

Shortly afterwards, Gershon (Gigi) Peres, Shimon's brother, seemed to raise the racial issue in referring to the Moroccan-born union leader and his followers in an interview with Army Radio. "Peretz and his people are a foreign body in the Labor Party, like General Franco in Spain," Gigi Peres said. "They were Phalangists who came from southern Spain, who came to infiltrate as a fifth column and destroyed the magnificent republic." Gigi Peres then referred to Am Ehad, Peretz's former party. "The game is entirely clear—the Am Ehad people came from North Africa, took over, and shot them in the back." Shimon Peres told reporters that his brother's remarks did not reflect his own views.

Prime Minister Sharon threw the Israeli political system into a state of shock on November 21 with a dramatic announcement that he was leaving the Likud—which he helped found in 1973—to form a new party, tentatively called National Responsibility. He did so because of the "rebels," about a third of the 40 Likud Knesset members, who had consistently opposed the disengagement and were pledged to fight a running battle against any future peace moves, indeed the very idea of Palestinian statehood, to which Israel was committed by its acceptance of the in-
ternationally sponsored, U.S.-backed “road map” to peace. This internal opposition, Sharon was aware, could possibly block the passage of basic legislation such as the 2006 state budget, making it difficult to keep his government afloat.

Sharon put the issue simply in a press conference televised from his office in Jerusalem. “Staying in the Likud would mean wasting time in political wrangling instead of activities on behalf of the nation,” he said. Sharon also triggered the mechanism for early elections by submitting his resignation as prime minister to President Katzav. “Our approach,” he declared, “will give Israel real national responsibility, stable governance, economic prosperity, peace and tranquility.”

Sharon ruled out, at least for the time being, a further unilateral withdrawal similar to the August disengagement from Gaza and the northern West Bank, and said he remained committed to the establishment of a Palestinian state. “There is no additional disengagement plan. There is the ‘road map,’” he said. While reiterating his oft-stated position that major settlement blocs, including areas where most of the estimated 230,000 settlers on the West Bank lived, would remain in Israeli hands, he noted that when the final stages of peace talks were reached, “one could assume that some of the settlements would not be able to remain there.” According to the prime minister, the aftermath of the disengagement from Gaza and the northern West Bank offered “a historic opportunity. ... I will not allow anyone to miss it.”

Though some foreign press accounts called Sharon’s move his “greatest gamble,” poll results showed it was no gamble at all: Sharon seemed a shoo-in to be reelected prime minister, barring some major terror megastrike or other unforeseeable catastrophe. Initial public-opinion surveys showed the new party leading in the race for Knesset seats: a Ma’ariv poll gave it a 30-26-15 edge over Labor and Likud, while Yediot Aharonot had Sharon’s party winning 33-26-12 over the same two parties. Sharon’s party, finally named Kadima (Forward), picked up even more strength over the next month. His key supporters, including fellow Likud bolters Ehud Olmert and Tzipi Livni, and Yuli Tamir, a Labor front-bencher and longtime peace activist, said that the new party would move forward with the peace process.

The withdrawal of Sharon left Netanyahu the heavy favorite to head Likud in a race with Foreign Minister Shalom, Defense Minister Mofaz, Agriculture Minister Yisrael Katz, right-wing rebel leader Uzi Landau, and Moshe Feiglin, head of the extremist Jewish Leadership group. Netanyahu accused Sharon of setting up a dictatorial party. The prime min-
ister, Netanyahu said, “apparently doesn’t recognize democracy, and is setting up a party of puppets . . . . What does it matter whether the dictator has this type of smile, or that type of sense of humor? It all leads to tyranny.”

MK Aryeh Eldad, of the far-right National Union, suggested that the nationalist parties, including the pared-down Likud, the National Religious Party, the National Union, and Avigdor Lieberman’s Yisrael Beitenu, merge into one bloc. “What logic didn’t do, fear will do,” he told the pro-settler Arutz Sheva radio station. “The political map has been redrawn. It’s right, center, left, ultra-Orthodox, and Arabs—that’s it.” Eldad did not mention it, but a new law, to take effect for the first time in the upcoming elections, raised the “threshold” minimum number of votes a party needed to be represented in the Knesset to 2 percent of the popular vote, a barrier that would make it difficult if not impossible for small parties winning less than three seats to get any parliamentary representation. The intention of the change was to impel these factions to amalgamate into larger blocs.

New Political Bedfellows and an Unexpected Shock

Agreement was reached on March 28, 2006 as the date for elections. In late November and early December, three additional prominent Labor figures joined Sharon’s party. The best known was Shimon Peres, the 82-year-old former Labor prime minister who had also held virtually every other major cabinet post. Peres announced on November 30, three weeks after losing the Labor primary for party leader, that he was ceasing political activity in Labor and would support Sharon. He said: “This is a difficult day for me, in which I ask myself: what is the central issue standing before the State of Israel in the coming years and at present? I have no doubt that it is the unavoidable combination of peace and diplomatic advances. I ask myself how I can contribute in the coming years, and the answer is by advancing the peace process that will contribute to a thriving economy and social justice.” Peres was expected to be given a senior post in a new Sharon administration, and possibly a high slot on the Kadima Knesset list.

Other top Labor figures joining Kadima were Haim Ramon, a longtime Labor minister who had been one of the first to advocate a political realignment and the formation of a new center party, and ex-minister and Labor MK Dalia Itzik, a Peres loyalist. But it was Peres’s defection from Labor that made headlines, and drew invective from politicians of
the right and left. MK Eitan Cabel, secretary-general of Labor, said it was “a sad day when a leader that has received so much from the Labor Party abandons it just as it seems to have found a new hope.” Accusing Peres of seeking personal gain rather than the good of the country or success of the peace process, MK Ran Cohen of Meretz suggested that the adherence of Peres to the new party would alienate rank-and-file Likudniks and induce them to stay with their Netanyahu-led party. Likud MK Gideon Sa’ar agreed, claiming that the cooption of Peres, “who symbolizes the Labor Party more than anyone else and is associated with the Oslo process and the left, is proof that [Kadima’s] path is that of the left, and that voting for that party is the same as voting Labor.”

Also joining Kadima but from other directions were Prof. Uriel Reichman, one of the founders of Shinui and, until his resignation, chairman of that party’s council; former Shin Bet security-service head Avi Dichter, who had not previously identified with any party; and Ronit Tirosh, who resigned as director general of the Education Ministry, held by Likud, to enter politics as a Kadima candidate. Reichman, the founder of the Interdisciplinary Center in Herzliya, had reportedly been promised the Education Ministry by Sharon.

There was also some movement of celebrities and other public figures toward Labor. Sheli Yechimovicz, a well-known radio and TV journalist and tough interviewer of politicians on her Channel 2 TV show, announced she was resigning to join Peretz’s electoral list. Others to do so were Ami Ayalon, the former head of both the Shin Bet security service and the Israeli navy, and former Jerusalem police commander Arye Amit. Perhaps the most significant addition was Prof. Avishay Braverman, the former World Bank senior economist who, in his 15 years as president of Ben-Gurion University, transformed the Beersheba-based institution into one of Israel’s most dynamic institutions of higher learning. Braverman’s involvement, Labor supporters hoped, would help allay the fears of the business community about Peretz’s socialist ideas.

Yossi Sarid, 65, the former head of Meretz and eloquent spokesman for the Israeli left, said in early December that he was quitting politics after 31 years in the Knesset. A former education minister during the Rabin years, Sarid said: “Had I known I was to become education minister in the next government, I would have had a reason to stay because of my commitment to education . . . Had I known I was to become justice minister in the next government to clean the filthy stables, I would have stayed. But being a realist, I know my chances are slim to none, and I have no need to break Guinness World Records like Shimon Peres.”
Kadima continued to pick up strength as two more top Likud politicians defected to the new party. On December 8, Tzachi Hanegbi, chairman of the Likud Central Committee and acting chair of the Likud after Sharon left, resigned from the party and from the Knesset. Ha’aretz quoted Hanegbi, a long-time Sharon confidant, as saying, “The heart said to remain in the Likud. The logic of statesmanship said to join Sharon in his historic move.” The next day, Defense Minister Mofaz, who had earlier resisted Sharon’s overtures, moved over to the new party as well, after it became clear that he was trailing far behind Netanyahu in his bid for the Likud leadership.

New rumors of Sharon’s future policy plans surfaced in mid-December, when Newsweek quoted Kalman Gayer, Sharon’s pollster, as saying the prime minister would make significant new territorial concessions, including on Jerusalem, if elected to another term. Sharon commented: “The remarks attributed to Kalman Gayer absolutely contradict my positions and my views. If those remarks were indeed made, they were made by Kalman Gayer alone and they are complete nonsense. United Jerusalem will remain Israel’s capital forever. The ‘road map’ is the diplomatic plan that will lead Israel in the coming years and whoever says otherwise does so on his own behalf and does so in complete contradiction of my position; this is how these remarks must be treated.” Gayer, for his part, admitted he had spoken to Newsweek, but denied saying what was attributed to him.

Netanyahu coasted to a comfortable victory in the primary for the Likud leadership on December 20, collecting 44 percent of the vote, compared to 32 percent for his closest rival, Foreign Minister Shalom. Netanyahu quickly moved to insure Shalom’s loyalty by guaranteeing him second place on the Likud Knesset list. Moshe Feiglin, leader of the far-right National Leadership group, was third with 15 percent, and Agriculture Minister Yisrael Katz a distant fourth with 9 percent. (A few days before the vote, Netanyahu convinced Uzi Landau, the hard-line former internal security minister and implacable foe of disengagement, to withdraw from the leadership race and support his candidacy.) In his acceptance speech, Netanyahu denied that the Likud was dead and vowed to lift it “higher and higher.”

Netanyahu, seeking to insulate Likud from the charge of extremism, found a stratagem to keep Feiglin from winning a seat on the party’s Knesset list, to be selected by the Likud Central Committee. On December 21, at Netanyahu’s instigation, that body declared that anyone convicted of a criminal offense that carried with it a disqualification from
holding office for even a short period of time was ineligible to run on the party list. Feiglin had been convicted of sedition in 1997 for the civil disobedience activities of his Zu Artzeinu movement, and served six months of a nine-month jail sentence.

Prime Minister Sharon was rushed to the hospital with what was initially described as a mild stroke on the evening of December 18. He returned to work less than two days later and appeared, at least in public, to have suffered no lasting effects. But reports circulated that Sharon's condition was more serious than described, including suggestions that when he arrived at Hadassah Hospital in Jerusalem he was unable to count and did not know what day it was. Some Arabs took to the streets of Gaza when news of Sharon's illness was broadcast, distributing candies and firing their automatic weapons into the air in celebration.

On December 26, Sharon's doctors said he would undergo a catheterization procedure within the next two to three weeks to repair a small hole in his heart discovered after his stroke. Dr. Haim Lotem, head of cardiology at Hadassah Hospital, said the hole was a minor birth defect found in 15–25 percent of the general population. Meanwhile, Sharon would be given injections of a blood-thinning medication twice a day. At the same time, Dr. Tamir Ben-Hur, Hadassah's head of neurology, gave the rumors about the prime minister's condition credibility by revealing that Sharon had had difficulty speaking after the stroke he suffered on December 18 and had been in no condition to make decisions, adding that characterizing the stroke as "mild" was mistaken.

As the year ended, Israeli politics increasingly focused on the health of one man—Prime Minister Ariel Sharon.

DEFENSE, SECURITY, DIPLOMACY

Waning of the Intifada

The year 2005 was marked by a significant decline in Palestinian terror attacks against Israelis, as well as a substantial drop in the number of Israelis killed and wounded. But security forces attributed the change not to any decline in the motivation of Palestinian groups, particularly Islamic Jihad, to hit Israel, but primarily to more effective measures to stop attacks before they could take place. The Shin Bet national security agency said it arrested 160 potential suicide terrorists in the West Bank during the year.
The number of casualties in 2005 was 45 killed, including eight members of the security forces, as compared to 117, 41 of them security men and women, in 2004. Twenty-three of the dead in 2005 were killed in suicide attacks. The number of Israelis wounded by terrorists declined from 589 in 2004 to 408 in 2005. In all, the Prime Minister’s Office reported that 2,990 terror attacks were carried out against Israelis in 2005. Attacks by Palestinian-made Qassam rockets increased from 309 in 2004 to 377 in 2005.

Dealing with Abbas

Nissim Arbiv, 25, of Nisanit in the northern Gaza Strip, became the first victim of Palestinian terror in 2005. Wounded in a January 2 mortar attack at his workplace in the Erez Industrial Zone at the northern edge of the Strip, Arbiv died on January 11. Sgt. Yossi Attia, 21, was killed on January 7 when Al-Aqsa Martyrs Brigades militants fired on the car in which he and three other off-duty soldiers were riding on the Trans-Samaria Highway near Nablus in the West Bank.

After clashes with about 200 settlers at the site, Israeli troops and police succeeded in dismantling the illegal Givat Shalhevet outpost near Nablus on January 2. The site, opposite the Yitzhar settlement, was named for Shalhevet Pas, the ten-month-old girl killed by a sniper firing into the Jewish settlement in the old city of Hebron three years earlier (see AJYB 2003, p. 228).

The presence of Israeli troops in Gaza had not prevented arms smuggling into the Palestinian Authority, the chief of Shin Bet internal security told the Knesset Foreign Affairs and Defense Committee on January 3. He argued that the only way to stop the firing of Qassam rockets on Israelis targets was to station IDF troops in the actual areas from which the Palestinian-made missiles were launched. He added that five shoulder-held antiaircraft missiles capable of shooting down a helicopter or warplane had been smuggled into the Gaza Strip. Two Qassam rockets hit an army base near the northern Gaza security fence just two days later, wounding 12 soldiers. Intermittent mortar fire continued in Gush Katif and the northern part of the Strip.

IDF Capt. Sharon Elmakias, 23, a Golani Brigade officer, was killed when a Hezbollah roadside bomb went off near a convoy in the Har Dov area of northern Israel, in the foothills of Mt. Hermon, on January 9. The attack triggered exchanges of fire along the northern border, and a French officer serving with the UN’s UNIFIL detachment in Lebanon
was killed by errant fire from an Israeli helicopter gunship. Reporting on the incident, the Jerusalem Post said that Hezbollah in 2004 invested $9 million, a tenth of its budget, on terror attacks against Israeli targets.

Mahmoud Abbas, widely known by his nom de guerre Abu Mazen, was elected president of the Palestinian Authority (PA) on January 9. Abbas, 69, who served as prime minister under the late Yasir Arafat, received 483,000 votes (62.32 percent). Coming in second, with 153,000 votes, was Mustafa Barghouti, a distant relative of the jailed Marwan Barghouti. Four other candidates trailed far behind.

“We offer this victory to the soul of the brother, martyr Yasir Arafat, and to all Palestinians,” Abbas told a jubilant rally of his Fatah party in Ramallah, the PA capital. “There is a difficult mission ahead to build our state, to achieve security for our people, to give our prisoners freedom, our fugitives a life in dignity, to reach our goal of an independent state,” he told hundreds of cheering supporters. President Bush praised the election as a “historic” step towards Palestinian statehood and offered to help in a new push towards peace.

Prime Minister Sharon telephoned Abbas on January 11. A communiqué from the Prime Minister’s Office said Sharon had “congratulated him on his personal achievement and his victory in the elections and wished him luck” and that “they agreed they would continue talking.” Labor’s Shimon Peres said “there is a new legitimate Palestinian leadership whose leaders definitely are against terror,” but Ehud Olmert, a key Sharon lieutenant, warned that Abbas had to prove himself by disarming the militant organizations.

Earlier, Sharon said he hoped to meet Abbas in the “near future” to discuss security issues, but PA prime minister Ahmed Qurei (Abu Ala) said plans for such a meeting were still at an early stage. “When the right time comes, we will go for a well-prepared meeting. We will not go just for a meeting, but for a useful one,” he said. European Union foreign policy chief Javier Solana, visiting Israel on January 13, expressed optimism about cooperation between the new Israeli and Palestinian leaderships.

Russian deputy foreign minister Alexander Saltanov arrived in Israel for an official visit on January 11, meeting with top officials including Shalom and Peres, as well as with Foreign Ministry personnel. A key item on the agenda concerned Russian plans to sell missiles to Syria. According to a report in Kommersant, a Moscow daily, Russia intended to sell Damascus Iskander missiles, capable of hitting nearly all of Israel, including the Dimona nuclear reactor in the Negev, from Syrian soil. Shalom expressed his displeasure. “Syria is a country that supports terror and transfers weapons to Hezbollah, and due to its support for ter-
ror the whole world is working to isolate it. There is no reason why Russi- 229a should go against this trend," he said, adding that as a member of the Quartet, Moscow had a responsibility to assure stability in the region.

Two weeks later, on January 25, Syrian president Bashar al-Assad paid his first official visit to Moscow and there denied that he wanted to purchase long-range missiles. He said that he only wanted defensive surface-to-air missiles that could counteract Israeli weapons that might "invade our airspace."

Meanwhile, violence continued. On January 12, Gideon Rivlin, 50, a private contractor who was building a security fence near the southern Gaza settlement of Morag, was killed in a blast directed at an army jeep near the site. A father of five, Rivlin and his family moved to Ganei Tal in Gush Katif in 1978.

The next day a murderous bomb attack at the Karni freight terminal, a crossing point between northern Gaza and Israel, took the lives of six Israelis. Israel suspended all contact with the PA. "Everything is canceled until they take steps against terror, so we can see there is not only talk but also action," said Sharon spokesman Assaf Shariv. "Abbas knows who carried out the attack, so he will be the one to stop them. It's very easy." But instead of risking an internal Palestinian conflagration by cracking down on terrorists and disarming them, Abbas opted for negotiation with them to reach a cease-fire. On January 23 the PA president told PA TV that he had made significant progress in talks with Hamas and Islamic Jihad towards a halt in hostilities. Abbas's principal negotiator with Hamas, Ziad Abu-Amr, said the PA leader was seeking to extract a promise from Israel not to act against militant groups while these negotiations were going on.

Sharon, speaking at the start of a cabinet meeting held in Sderot, which was under intermittent attack from Palestinian mortars and Qassam rockets, expressed serious doubts. "We do not know whether a real change has occurred in the situation. We hope so," he said. "One thing is clear. If the terrorism resumes, we shall act according to a cabinet decision that has been taken [to attack Gaza]."

In unusually sharp remarks to the Knesset on January 26, the 60th anniversary of the liberation of Auschwitz, Sharon recalled that the Allies refrained from bombing the railroad tracks leading to the death camps in 1944, which might have prevented the killing of some 600,000 Jews. "The sad and terrible conclusion is that no one cared that Jews were being killed," he said. "The State of Israel has learned this lesson, and since its founding has defended itself and its citizens, and provided safety to Jews everywhere. The lesson is that we can only rely on ourselves."
The Auschwitz anniversary came two days after Mossad chief Meir Dagan, speaking to the Knesset Foreign Affairs and Defense Committee, warned that Iran’s nuclear program was nearing the point of no return. Deputy Prime Minister Peres said that while he thought Iran was the world’s most serious danger, the burden was not exclusively Israel’s. “I do not think that the matter of Iran needs to be turned into an Israeli problem,” he told Israel Radio. “It is a matter of concern for the whole world.”

Preparing for a Summit

Meanwhile, there appeared to be action on both the Israeli and Palestinian sides in advance of the Sharon-Abbas summit that was scheduled for early February. At a meeting in Jerusalem on January 26 between Sharon confidant and adviser Dov Weisglass and PA negotiator Sa’eb Erakat—attended also by senior security officials from Israel and Palestinian minister Muhammad Dahlan—the transfer of four West Bank towns to Palestinian security control was discussed. On the same day, Israel’s Kol Yisrael radio reported that Palestinian security men had begun deploying in the southern Gaza Strip areas under PA control in order to prevent attacks against Israeli targets. The improving atmosphere was marred, however, when settlers punctured the tires on the cars of PA security men arriving for a coordination meeting at the Tufah crossing point in southern Gaza.

Foreign Minister Shalom cautioned against getting too excited about moves towards a Palestinian cease-fire. “You cannot take a cease-fire as a long-range goal, while they are still preserving their infrastructure [for terrorism]. The extremist organizations can regroup and bring about a situation where they can carry out one terrorist attack or a series of terror attacks, which will bring down the whole process and send it to hell.” Assaf Shariv, a spokesman for the prime minister, also hedged. “I don’t know if a cease-fire is the right wording,” he said. “If there is quiet on the Palestinian side, Israel will respond with quiet.”

Meanwhile, Hamas continued to gather popular support. In elections for local authorities in Gaza in late January, the Associated Press reported that the Islamic Resistance group had won about 75 council seats to only 30 for the ruling Fatah. Most voters, however, said they were not voting for the Hamas political program, but rather responding with anger to the corruption of the Fatah-dominated PA.

Israeli and Palestinian security officials expressed concern that terrorist groups would attempt to assassinate PA president Abbas in order to
torpedo his upcoming summit with Sharon, scheduled to take place on February 8 in Sharm al-Sheikh, Egypt. The Palestinians also warned that Lebanon’s Iranian-backed Hezballah had been offering more money to Palestinians who would carry out attacks in the territories, especially the Gaza Strip. Hezballah, it was said, was ready to pay up to $20,000 per month to Palestinians who recruited terrorists, as compared to $1,000 in previous years.

U.S. secretary of state Condoleezza Rice visited the area a few days before the Sharon-Abbas summit to take care of last-minute details. Besides meeting with both men and other top Israeli and Palestinian figures, she announced the appointment of William Ward, a retired general, as U.S. security coordinator for the area. Ward’s mandate, Rice said, included supervising the reform of the Palestinian security forces. The secretary of state also disclosed that Sharon and Abbas had accepted separate invitations to visit the White House in the spring, and added fulsome praise for the disengagement plan. “I just can’t emphasize enough how historic a decision that is, how fundamental a decision that is, that with all of the going back and forth that we’ve done over the last 30 plus years, the return of territory is a major step forward,” she said.

But if Israel was pleased with the Rice visit, it was less encouraged by another guest, French foreign minister Michel Barnier. On an official visit in early February, Barnier would not guarantee that France would move to place Hezballah on the EU’s list of terror organizations, even after Peres and Shalom separately warned the French diplomat about the attempts of the Iranian-backed group to thwart prospects for peace. “Just as Hezballah destroyed Lebanon, it is also trying in any way possible, including the use of extremist Palestinian elements, to destroy Israel as a Jewish state,” Peres explained. Israel contended that Hezballah had been trying its utmost to sponsor terror attacks in Israel so as to thwart Israeli-Palestinian dialogue. Security officials also warned of Hezballah attempts to assassinate Abbas and to carry out a major terrorist attack prior to the scheduled summit.

Efforts to torpedo the summit also continued closer to home: on February 7, a day before the planned meeting, IDF troops said they had arrested a female would-be suicide bomber in Jenin.

Cease-Fire

At their day-long summit at Sharm al-Sheikh on February 8, Sharon and Abbas agreed on an end to hostilities. Sharon described their pact this way: “Today, in my meeting with Chairman Abbas, we agreed that
all Palestinians will stop all acts of violence against all Israelis everywhere, and, at the same time, Israel will cease all its military activity against all Palestinians everywhere,” Sharon indicated that his plan to withdraw from Gaza could jump-start the U.S.-backed “road map” peace plan that had been stalled for almost two years. “For the first time in a long time there is hope in our region for a better future for our children and our grandchildren. We have to proceed carefully. It is a very fragile opportunity. Only breaking the back of terror and violence will build peace,” he said. Abbas declared that the PA and Israel had agreed “to cease all acts of violence against the Israelis and the Palestinians wherever they are.” Peace, he noted, meant the establishment of “a democratic Palestinian state alongside Israel.”

Abbas accepted Sharon’s invitation to visit his Sycamore Ranch in the Negev. Sharon also extended invitations to the summit’s host, Egyptian president Hosni Mubarak, and King Abdullah of Jordan. Both said they would come. But a Hamas representative in Lebanon, reacting to the talk of peace at the summit, said his organization was not bound by any agreements reached there.

As a concrete demonstration of good will, Israel agreed to hand over control of five West Bank cities—Jericho, Tul Karm, Qalqilya, Bethlehem, and Ramallah—to the Palestinians within three weeks, immediately release 500 Palestinian prisoners, and move towards resumption of peace talks under the framework of the 2002 “road map” backed by the Quartet (the U.S., Russia, the EU, and the UN). The next day, a senior IDF official told Ha’aretz that Israel would remove major roadblocks as part of its forthcoming withdrawal from the five West Bank cities, and Abbas indicated that Palestinian security forces would man the checkpoints after the IDF left. In another gesture meant to ease the daily lives of Palestinians, Israel reopened the Erez crossing between Israel and Gaza to the 1,000 Palestinian workers who needed to pass through daily.

The prisoner release was challenged in the Israeli courts by the Legal Institute for Terror Research, an organization representing the families of terror victims, which claimed to have facts proving that the move would endanger Israel’s security, as many of these prisoners were linked to shooting attacks against Israelis. But on February 17, the High Court of Justice rejected the suit. Court president Aharon Barak and justices Mishael Cheshin and Dorit Beinisch wrote, “We are cognizant of the pain of the petitioners who lost their loved ones. Release of prisoners and detainees definitely does not sit well with them, but, nevertheless, we do not find cause to intervene in the government’s decision.”
In a policy address in Paris, Condoleezza Rice called Sharm al-Sheikh an important step forward and reiterated that the newly appointed U.S. security coordinator in the region, Gen. Ward, would deal only with security issues and not take the place of the Israelis and Palestinians, who had to do the negotiating themselves. British foreign secretary Jack Straw and German foreign minister Joschka Fischer also hailed the cease-fire agreement. After talks with President Katzav in Jerusalem, the European commissioner for external relations, Benita Ferrero-Waldner, described the summit as “a message of hope.” Prime Minister Abdullah Ahmed Badawi of Malaysia, a Muslim country with no diplomatic relations with Israel and also chair of the 57-member Islamic Conference, hoped a cease-fire would lead to lasting peace. Even China got into the act, applauding Egypt for hosting the meeting.

But two days after the summit, Hamas reinforced its dissenting view with Qassam rockets and mortars, firing about 40 rounds on Gush Katif and towns in Israel’s western Negev (13 of them exploded in Palestinian areas). Abbas responded by convening an emergency meeting of the Fatah central committee, which released a “general alert and state of emergency among the Palestinian security services and the Fatah movement to deal with the severe security violations, the attempts to undermine the Palestinian Authority’s deterrent capabilities, and the attempts to undermine its international commitments.”

Israel announced it would refrain from any military response, although Sharon’s adviser and confidant, Dov Weisglass, phoned PA minister Sa’eb Erakat and explained that Israel viewed the attack “very gravely.” Mortar shells and Qassams continued to fall intermittently on Israeli territory. On February 16, for example, two shells fell on the Morag settlement in southern Gaza, two more on Neveh Dekalim, and three elsewhere in the Gaza Strip.

New Dangers

Israeli security concerns suddenly shifted to the northern border on February 14, when former Lebanese prime minister Rafik Hariri and at least nine other people were killed by a massive explosion of his motorcade as it moved along Beirut’s seafront boulevard. Foreign Minister Shalom said the attack proved that some groups and countries—including Syria, which largely controlled Lebanon—wanted to destabilize the region and prevent democracy from reaching the Arab world. Defense Minister Mofaz suggested that Syria was most likely behind the
assassination, targeting Hariri “because he opposed the Syrian presence in Lebanon.” And Mofaz added that “Syria is using terror not only in Lebanon but also in Iraq against coalition forces.”

Two weeks later, under mounting pressure from demonstrators demanding an end to Syrian hegemony over the country, the Lebanese government resigned. In early March, Syrian president Assad announced a two-stage pullout of Syrian troops from Lebanon, and the first Syrians began to leave on March 7. But the pullout was only from Beirut, and Syrian forces remained in other parts of Lebanon. “Lebanon agrees to the creation of an international commission of inquiry if the Security Council takes such a decision to uncover the truth in the assassination of Rafik Hariri,” Foreign Minister Mahmoud Hammoud said. Pro-Syrian president Émile Lahoud promised to cooperate with the UN “on whatever method it adopts in order to know the identity of the perpetrators.”

UN secretary general Kofi Annan subsequently appointed Detlev Mehlis, a German prosecutor based in Berlin, to head the investigation of the Hariri killing. His report, submitted on October 20, said “there is converging evidence pointing at both Lebanese and Syrian involvement in this terrorist act. It is a well-known fact that Syrian Military Intelligence had a pervasive presence in Lebanon at the least until the withdrawal of the Syrian forces pursuant to Resolution 1559. The former senior security officials of Lebanon were their appointees. Given the infiltration of Lebanese institutions and society by the Syrian and Lebanese intelligence services working in tandem, it would be difficult to envisage a scenario whereby such a complex assassination plot could have been carried out without their knowledge.” In mid-October, before the Mehlis report was issued, the former Syrian intelligence chief in Lebanon, Interior Minister Ghazi Kanaan, committed suicide in Damascus. A few hours before his death, according to the Associated Press, Kanaan told a Lebanese radio station that “I believe this is the last statement I can make.”

Shalom raised the issue of Hezbollah’s actions in Lebanon in a February 14 meeting with President Chirac in Paris. But the French leader turned down the Israeli’s request to add Hezbollah to the EU’s list of terror organizations, saying that in the coming months France would focus primarily on encouraging the democratic process in Lebanon. In Jerusalem, meanwhile, visiting U.S. treasury undersecretary Stuart Levey said that Syria had failed to take adequate steps to prevent or slow the flow of money to terror organizations, particularly in Iraq. Levey identified the Commercial Bank of Syria as a “primary money-laundering
Ele said that the U.S. would offer to set up a trilateral effort, with Israel and the PA, to share intelligence information, fight money-laundering, and impede the transfer of funds to terrorists.

In a landmark decision, Defense Minister Mofaz instructed the army on February 17 to halt the policy of demolishing the homes of terrorists. He acted on the recommendation of an internal army review, which determined that the policy had inflamed hatred of Israel and not deterred attackers. But a spokesman noted that "in the event of an extreme change in circumstances, the army would be free to reevaluate the policy." Mofaz also said that 20 Palestinians who were among the 39 exiled to Europe and the Gaza Strip as part of a deal to end the standoff in Bethlehem's Church of the Nativity in May 2002 (see AJYB 2003, pp. 206-07) would be allowed to return once the Palestinians took security control over the city. Those allowed to return, Mofaz said, were Palestinians "without blood on their hands," that is, who had not been involved in violence against Israelis.

Five Israelis—Yitzhak Buzaglo, 40, Arye Nagar, 37, Yael Orbach, 26, Reuven Reuvenov, 30, and Odelia Hubara, 26—were killed and about 50 people wounded when an Islamic Jihad suicide bomber blew himself up at the entrance to the Stage, a popular nightclub on the Herbert Samuel Esplanade, just across the street from the Tel Aviv beachfront, on February 25. Many of the casualties and all of the dead were members of an army reserve unit and their spouses, out for a reunion and a surprise birthday party for one member. The army identified the bomber as Abdallah Badran, 21, a West Bank university student.

Abbas, expressing shock, said that the PA would not sit idly by and let the violence continue. "There is a third party that wants to sabotage this peace process and this act harms our interests, our way and our goals, and we will not hesitate for a minute to track them down and bring them to justice and punish them," he said. Sharon responded that Abbas had to act against Islamic Jihad and similar groups, and if he did not, peace efforts would cease. "There will not be any diplomatic progress, I repeat, no diplomatic progress, until the Palestinians take vigorous action to wipe out the terror groups and their infrastructure in the PA's territory," he said.

In a meeting with ambassadors from countries with seats on the Security Council and those belonging to the EU, Foreign Minister Shalom and two top military intelligence officials focused on Syria's likely role in the bombing. A few days later Dan Gillerman, Israel's ambassador to the UN, called on the international body—whose secretary general, Kofi
Annan, issued a strong condemnation of the attack—to impose sanctions on Syria. Former deputy chief of staff Uzi Dayan, a leading advocate of the security fence, told the Knesset Foreign Affairs and Defense Committee that the terrorist who carried out the Stage attack might well have been kept from reaching Tel Aviv had the barrier been completed. A week after the attack, the Stage reopened.

On February 24, the Palestinian parliament accepted a new cabinet put together by Prime Minister Ahmed Qurei. Among the key appointments were those of Nasser al-Kidwa, Yasir Arafat's nephew and the former PLO representative at the UN, as foreign minister, Civil Affairs Minister Muhammad Dahlan, and Interior Minister (responsible for security services) Nasser Yousef. Nabil Shaath, the former foreign minister, was made deputy prime minister. A number of big names found themselves out of jobs, including Sa'eb Erakat, chief Palestinian negotiator with Israel in the Arafat days, and Intisar al-Wazir (Umm Jihad), the widow of terrorist leader Abu Jihad, who had been assassinated by Israeli agents in Tunis in April 1988.

The new cabinet was formed on the second try, after Qurei failed to get the PA parliament's approval for a cabinet consisting mainly of politicians who had served under Arafat. Palestinian sources reported that the confirmed cabinet was dominated by technocrats rather than politicians.

The Arrangement Holds, Barely

Representatives of 23 countries and six international organizations—but not Israel—attended a one-day conference in London on March 1 to discuss reforms in the PA (see below, p. 318). The host was British prime minister Tony Blair, and attendees included U.S. secretary of state Rice and UN secretary general Annan. In an interview with The Guardian just after the meeting, Blair was hopeful, saying he sensed an incipient transformation in the Middle East. The next day, Israel reaffirmed its commitment to the “road map,” but said that the London meeting should have taken a stronger stand in urging the PA to crack down on terror.

On March 2, IDF troops discovered and destroyed a weapons lab containing large quantities of parts used to manufacture Qassam rockets in al-Yamon, a village near Jenin. It had been operated by Hamas. The army noted that over the preceding year similar labs had been found and dismantled in Ramallah and Nablus.

Despite the tense atmosphere, Shimon Peres met with Muhammad Dahlan, the PA minister for civil affairs, on March 3, to discuss
disengagement-related coordination. A few days later, a sniper firing from the casbah of Hebron wounded two Israel border policemen guarding the city’s Tomb of the Patriarchs. Sharon quickly made it clear that the attack would not affect the Jewish presence at the holy place, revered by both Jews and Muslims. “Jews will continue to pray at the Cave of the Patriarchs in Hebron,” the prime minister said. “This attack sharpens Israel’s position that for terror to stop, the Palestinians must fight with determination against the terrorists and those who send them.”

But the intermittent violence made it difficult for Israel to keep its promise to loosen its hold on five West Bank cities. On March 9, talks between security officials on the transfer of Jericho to the PA ended without agreement. Senior Defense Ministry official Amos Gilad told Army Radio that the handover of Jericho “could be this evening, it could be in the next few days,” adding that the Palestinians’ ability to prove they could prevent terrorist incidents after the Jericho handover was a condition for giving them control over the other West Bank cities.

In a nonbinding decision, the European Parliament on March 11 branded Hezbollah a terror organization and urged EU members to take action against it. It also renewed its call for Syria to withdraw troops and intelligence services from Lebanon. The EU had come under pressure from the U.S. and Israel to take this step, but a number of member states, including France, Spain, and Great Britain, had been reluctant.

In a report made public on March 9, Talia Sasson, a former senior lawyer in the office of the State Attorney, found “institutionalized law-breaking” in the establishment of illegal West Bank settlement outposts, some of them on Arab land. Sasson described a pattern of illegality in the setting up of over 100 outposts or extensions of existing settlements, and recommended “drastic steps” to rectify the situation. “No one seriously intended to enforce the law,” Sasson wrote. “It seems as if the violation of the law had become institutional and institutionalized. There is a blatant violation of the law by certain national authorities, public authorities, regional councils and the settlers.”

Sasson specifically blamed the Housing and Education ministries, the army’s Civil Administration in the territories, and the World Zionist Organization. The Housing Ministry, for example, “prepared areas, paved roads, connected outposts to water and electricity, and built public buildings for unauthorized settlement outposts. The assistance was carried out in the guise of building new neighborhoods for existing settlements, all to circumvent the obstacle of the lack of a government resolution to establish outposts.” But, like other investigators before her, she was unable
to say just how much had been spent on the outposts because clear records had not been kept. Sasson called on the attorney general to look into the involvement of government employees.

Opening the cabinet’s discussion of the Sasson Report, Sharon said, “Israel is obligated under the ‘road map’—which was approved by a cabinet decision and which, in its first phase, calls on Israel to dismantle the unauthorized outposts that were established since March 2001. Israel will live up to its commitment.” The cabinet voted to adopt the report and appointed a special committee chaired by Minister of Justice Tzipi Livni to determine the fate of the outposts.

Reaction to the report was predictable. Yossi Beilin, leader of the left-wing Yahad/Meretz, praised Sasson’s work, while Effi Eitam, the right-wing former NRP housing minister under whom some of the outposts were set up, called it politically motivated. Sasson was a well-known leftist, Eitam charged, and over the years had expressed antagonism for settlement activities. Eitam, interviewed on Kol Yisrael radio, said the Prime Minister’s Office was aware of some of the activity that Sasson criticized. Settler groups, for their part, replayed tapes of Sharon, when he was minister of housing, telling settlers to take over every hill in the West Bank, saying that this should be done “because what we control today will remain in our hands.”

The Livni committee, which was given 90 days to determine what should be done with the outposts, had still not reported by November. Ha’aretz quoted anonymous security officials as saying that construction in illegal outposts had continued since the report was released, and that in some of the outposts mobile homes had made way for permanent housing.

On March 16, Israeli and PA commanders signed an agreement for the transfer of security control over Jericho back to the PA. Israel opened the main north-south highway leading into and out of Jericho and pulled back roadblocks near Ramallah so that Palestinians from the surrounding area could have easier access to that city. The process continued on March 21, as Israel turned over security control of Tul Karm to the Palestinians, though the handover of Qalqilya was delayed. Further evidence of the improved atmosphere was Palestinian action against terror attempts: on March 21, the Knesset Foreign Affairs and Defense Committee was notified that Palestinian security forces were now stopping as many attempted terror attacks as their Israeli counterparts.

After three days of discussions in Cairo, Palestinian terror groups agreed on March 17 to extend the period of calm in place since Febru-
ary in exchange for a halt to Israeli attacks and the release of prisoners. “What was agreed upon today is quiet until the end of this year in exchange for an Israeli commitment to withdraw from cities and release prisoners,” top Hamas official Mohammad Nazzal told *Ha'aretz*. Israeli sources stressed that the talks were an internal Palestinian matter, and recalled that PA president Abbas had been committed to such a truce since the Sharm al-Sheikh summit in February. Abbas, in their eyes, was still expected to disarm militant groups. “The real test will be the action the Palestinian Authority takes on the ground,” a senior Israeli official said. “As long as these organizations remain armed, I doubt very much that there will be much quiet on the ground.”

The lessening of tensions was only one reflection of improved relations in the wake of the Sharm al-Sheikh summit. On March 17, Egypt’s new ambassador to Israel, Muhammed Assem Ibrahim, arrived in Tel Aviv. The post had been left vacant since the recall of longtime Egyptian ambassador Mohamed Bassouni to Cairo as a sign of protest by Egypt against Israeli actions following the outburst of Palestinian violence in late 2000. Assem Ibrahim said his presence in Israel was a sign of peace and testimony to Egypt’s desire to strengthen ties. A few days later both Ibrahim and Ma’arof al-Bakhit, who had arrived in late February as Jordan’s ambassador—also the first since 2000—presented their credentials to President Katzav.

Arab leaders, meeting at a summit in Algiers on March 23, relaunched the 2002 Saudi initiative that offered Israel peace in exchange for a full withdrawal to the 1967 pre-Six-Day-War borders (see AJYB 2003, pp. 195–98). The communiqué ending the summit announced that the Arabs had decided on a “strategic option” of ending the conflict with Israel. It supported the establishment of a Palestinian state with Jerusalem as its capital and “a just solution to the problem of Palestinian refugees based on UN General Assembly Resolution 194 of 1948,” which called for the return of the refugees to their homes.

The summit had earlier rejected a Jordanian proposal for normalization of relations with Israel prior to the handover of the territories by Israel to the Palestinians. Amr Moussa, the Arab League secretary general and a former Egyptian foreign minister, called that proposal a nonstarter, since it expected “the Arabs to make concessions and even normalize without anything real in return.”

The relaxation of Israeli restrictions did not mean that terror had disappeared. On March 28 soldiers arrested eight Islamic Jihad fugitives in the Jenin area who were involved in building homemade Qassam-type
rockets to fire into Israel. *Ha'aretz*, quoting security officials, said the cell members tried several times but failed to launch the rockets. At the same time there were reports of security officials’ concern that antiaircraft missiles recently smuggled into the Gaza Strip might be moved into the West Bank and used against commercial aircraft flying over central Israel, or landing at or taking off from Ben-Gurion International Airport.

**Sporadic Violence and Political Maneuvering**

Chaos continued to reign in the Palestinian territories. Gunmen fired on the office of President Abbas during a rampage through the West Bank city of Ramallah on March 30, and on April 1 Tawfiq Tirawi, head of the PA’s general intelligence service on the West Bank, resigned, telling Abbas that “security officials have been unable to stand up to the armed anarchy engulfing Palestinian areas and those responsible for it.” A few days later Abbas removed top security official Col. Musa Arafat, nephew of the late Yasir Arafat, and named Tarek Abu Rajab as head of the PA’s general intelligence; Suleiman Heles as chief of national security; and Alaa Husni to head the Palestinian police in the West Bank and Gaza.

Sharon and Bush, meeting at the president’s Prairie Chapel Ranch in Crawford, Texas, on April 11, agreed to disagree about Israeli plans to expand Ma’ale Adumim, the Jerusalem suburb/settlement in the West Bank east of the capital, in an area known as E-1. This was the subject of a long-standing controversy. From Israel’s perspective, the expansion would provide a physical link between Jerusalem and Ma’ale Adumim, but seen through Palestinian eyes, the construction would not only sever Arab East Jerusalem from the rest of the West Bank, but also cut off the West Bank areas north of Jerusalem, known to Israelis by the biblical name of Samaria or Shomron, from the biblical Judea, south of Jerusalem, both of which were presumably going to form the core of a Palestinian state.

Emphasizing that blocs of settlements would remain in Israeli hands “no matter what repercussions are entailed,” Sharon said that Israel was “very interested in having territorial contiguity between Ma’ale Adumim and Jerusalem. However, the matter will take many years and we will have many more opportunities to discuss it with the Americans.” Bush, however, asked Israel not to expand Ma’ale Adumim. “I told the prime minister not to undertake any activity that contravenes the ‘road map’ or prejudices final-status obligations,” the president told reporters. Despite this disagreement, Bush and his guest said they were both committed to
moving forward toward the goal of an independent, democratic Palestinian state on Israel's border. They expressed hope for significant progress by the summer. (On September 2, under American pressure, Israel would postpone its construction plans for Ma'ale Adumim; see below, p. 250.)

Bush and Sharon did not appear to break any new ground in their talks, but both walked away from their 11th meeting in four years with the ammunition they sought to keep the peace process alive and to deflect criticism of their respective approaches at home and abroad. Sharon, under fire from opponents of his disengagement plan and facing an internal revolt from "rebel" members of his Likud party, could use public support from the U.S. to mollify critics. According to a report in the Washington Post, one American official said the carefully-worded exchange about settlements would allow Sharon to get back on the plane and tell the Israeli press how Bush generally supported the prime minister's moves. Bush, for his part, by disagreeing with Sharon in public over the expansion of Ma'ale Adumim, sought to shore up his position in the Arab world.

In the aftermath of the meeting, Bush sent top officials Elliot Abrams and David Welch to the Middle East for discussions with Abbas and Sharon on how to strengthen and democratize the Palestinian administration, in light of Bush's repeated calls on the PA leader to seize the opportunities presented by the "road map" for Palestinian statehood.

The Israeli government, on April 18, approved the release of nine Jordanian prisoners following months of negotiations with Jordan, which had requested the release of 18. As much as Israel was interested in making a gesture toward Jordan's King Abdullah, one minister said, the cabinet would not free nine men who had "blood on their hands" since that would set a bad precedent for future talks with the Palestinians about their prisoners held by Israel. Four of the nine Jordanians who were to remain in prison were involved in the 1990 killing of an Israeli soldier. On April 22, seven of the nine freed Jordanians crossed the Allenby Bridge into Jordan, while the other two, also freed, chose to remain in the West Bank and were permitted to do so by Israel.

Sgt. Dan Talasnikov, 21, the brother of a well-known Israeli soccer star, was killed in a gun battle with Palestinian Islamic Jihad fugitives near Tul Karm on May 2. A PIJ leader suspected of involvement in terror bombings in Tel Aviv and other locations was also killed in the clash, the army reported. Later in the day there was more Qassam fire on Sderot, though there were no casualties. David Baker, an official in the Prime Minister's Office, blamed the PA, which, he said, "continues to refuse to fulfill com-
mitments made in the February 8 Sharm al-Sheikh summit to stop this terror originating in its territory.” The next day, Defense Minister Mofaz announced he was freezing the handover of West Bank towns to Palestinian security control because of the PA’s failure to honor its promise to disarm terrorists.

Abbas’s ruling Fatah movement defeated Hamas in local elections in the West Bank and Gaza Strip on May 5, winning 56 percent of the vote as against 33 percent for Hamas. The corruption-tainted Fatah had feared defeat, but the party won in 45 of 84 communities. Nevertheless, Hamas could boast victories in 23 contests, including the three large towns of Qalqilya, Rafah, and Beit Lahia, establishing Hamas as a major political player.

Conflict arose toward the end of the month between the PA and Hamas over whether to reschedule the Palestinian parliamentary elections set for July 17, with the PA leadership arguing that disputes over reforming the electoral laws would make it impossible to organize an election by that date. A five-hour meeting between Egyptian mediators and Hamas leaders in Gaza ended with no progress toward resolving the crisis, and Hamas threatened to resume attacks on Israelis. On May 31, however, Palestinian groups agreed to delay the elections until after the Israeli pullout, and eventually settled on January 25, 2006, as election day.

In mid-May, the Israeli cabinet voted 13-7 to confer university status on the Judea and Samaria College, located in the northern West Bank city of Ariel. The vote, decided on party lines and preceded by a fierce debate, was of great symbolic significance since it addressed the question of whether Ariel and the surrounding area was expected to remain part of Israel. Likud ministers supported the move while their Labor counterparts opposed it.

First Lady Laura Bush was heckled by both Jewish and Palestinian protesters in the Old City of Jerusalem on May 22, during a visit to Israel. Near the Western Wall, where she placed a folded-up note between the stones, supporters of Jonathan Pollard, an American serving a life sentence for spying for Israel, accosted her. And on the nearby Temple Mount, Palestinians heckled her because of U.S. support for Israel. Mrs. Bush arrived in Israel from Jordan, where she had attended a World Economic Forum conference on women. There she urged Arab rulers to extend more rights and liberties to women.

President Bush was scheduled to host PA president Abbas at the White House four days later, on May 26. In a speech at the AIPAC policy conference just prior to the Abbas visit, Secretary of State Rice said that President Bush would insist on the dismantling of all terrorist networks in
Palestinian areas. "The president will be clear that there are commitments to be met, that there are goals to be met," she said.

The Bush-Abbas meeting was the first between the top leaders of the U.S. and the PA in five years. Bush reaffirmed his commitment to the creation of a Palestinian state, and promised $50 million in special aid to the PA to be used for new housing in Gaza, where, Bush said at a news conference, "poverty and unemployment are very high." Abbas thanked Bush and said that violence between Israelis and Palestinians was at its lowest level in four years. At the meeting with the U.S. president, he told reporters, "we emphasized our determination to maintain and preserve this calm. The Palestinian Authority exerts a great deal of effort in reforming our security organizations." Sharon, also in Washington at the time, praised the Palestinian leader's "strategic decision to condemn violence and terrorism."

**Cease-Fire in Trouble**

In what Sharon said was a bid to shore up Abbas's position, Israel released 398 Palestinian prisoners on June 1, the last phase of Israel's pledged release of 900 prisoners as part of the March cease-fire deal. The prisoners were freed despite a foiled Islamic Jihad bid to carry out a double suicide bombing in Jerusalem earlier in the day.

Around the same time, a decision by Abbas to reorganize his security services triggered protests from the troops themselves. Violence flared when hundreds of officers of the PA military intelligence went on a rampage inside the building of the Palestinian Legislative Council and exchanged gunfire with police in Gaza City. Earlier, 50 members of the same force blocked main roads and raided PA institutions in some parts of the Gaza Strip. PA officials in Ramallah accused the ousted commander of military intelligence, Musa Arafat, of standing behind the unrest. A nephew of Yasir Arafat, he had been dismissed from his post two months earlier. In mid-June, gunmen raided the Jericho vacation home of Palestinian prime minister Qurei and demanded they be given jobs in the security forces. They stayed at the house, which was vacant, for about an hour, and were removed by PA security.

Meanwhile, Israel protested rising contacts between the EU and Hamas. Mark Regev, the Foreign Ministry spokesman, said: "We believe Europeans should be strengthening moderate Palestinians and not appeasing the extremists. Anything that demonstrates acceptance of Hamas as a legitimate player is a problem." In Brussels, EU spokeswoman Elena Peresso said the union had reached no collective decision on whether to
change its policy toward Hamas, which had raised its political profile by winning several Palestinian local elections. Though the U.S. and the EU listed Hamas as a terrorist group, European agencies were involved in aid projects and other cooperative arrangements with Palestinian towns now run by new Hamas-backed mayors.

Two Jews were injured during violent clashes on the Temple Mount on June 6, Jerusalem Day. Israeli police officers faced down hundreds of stone-throwing Palestinians outside the Al-Aqsa Mosque as Jews visited the site. Abbas, speaking in Ramallah, said Jewish visitors should not have been allowed into the mosque compound. “The Israeli government and the international community must stop these unjustified and dangerous violations that risk reaping regrettable consequences.”

In early June, Egyptian officials prevented author and peace activist Ali Salem from visiting Israel, where he was due to accept an honorary doctorate from Ben-Gurion University of the Negev. Salem, who had previously visited Israel several times and whose book, A Drive to Israel, was a best seller all over the Arab world, tried and failed twice to get into Israel, first at the Taba border crossing near Eilat, and later by plane from Cairo. In a phone interview with Yediot Aharanot, Salem said he was “very sad” about the refusal, and added: “There is nothing good that can come out of this, not for Egypt and not for Israel, and I am very worried about the impact it will have on public opinion in both countries.”

A total of 14 Qassam rockets were fired by Hamas and Islamic Jihad gunners on June 7, killing two Palestinians and a Chinese man working in the Gush Katif settlement of Ganei Tal. Five other workers were wounded when the hothouse where they were employed took a direct rocket hit. Mortar and Qassam fire also hit Sderot, the Israeli town on the northeastern edge of the Strip. Chief of Staff Dan Halutz, visiting Sderot, said that Israel had an answer to the continued fire, though it need not be immediate. “We will do whatever is necessary when we decide to do so. There is no doubt that at a certain point our patience will run out,” Halutz said. IDF officials explained that Israel would refrain from responding at this time to allow Abbas to handle the crisis by himself.

The next day, eight IDF tanks and armored vehicles briefly entered Palestinian territory in Gaza after a mortar attack hit the Netzarim settlement at the southern edge of Gaza City. In the preceding 48 hours, 15 mortar and Qassam rounds had been fired on Gush Katif and border villages inside Israel. And in Jerusalem, a resident of the Shuafat refugee camp was taken into custody for stabbing a policeman on Jaffa Road, in the center of the city.

Israeli sources reacted angrily to the PA’s release, on June 9, of two Is-
Islamic Jihad members jailed since February on suspicion of involvement in the suicide bombing attack at the Stage nightclub in Tel Aviv (see above, p. 237), accusing the Palestinians of resuming their “revolving door” policy on terror detainees. The release came after Islamic Jihad leaders increased pressure on Abbas, demanding the men’s release. An Islamic Jihad spokesman called it “an important victory for Palestinian resistance and for Palestinian unity.”

A Kenyan court decided on June 10 to release six suspects charged with involvement in an attack against an Israeli-owned hotel in Mombassa in 2002 that killed 15 people, including three Israelis, and wounded 80. Several minutes before the attack, a terror cell fired two missiles at an Israeli airplane leaving Kenya, but missed the target. Israel’s ambassador to Kenya, Gilad Milo, expressed disappointment that one of the accused in particular had not been found guilty, despite evidence that he had assisted the perpetrators of the attack in renting an apartment. “We, as Israelis with bitter experience, define anyone who drove a terrorist as aiding and abetting murder,” he said. “Regarding that person, we are talking about someone who knew what he was giving a hand to.”

Tens of thousands of Israelis crossed into the Sinai at the Taba border crossing for the Shavuot holiday on June 13, despite a terror warning issued by the National Security Council’s counterterrorism unit. Yitzhak Hai, director of the Israeli side of the crossing, said that Egyptians had briefed Israeli border officials on plans being taken to protect hotels and tourist sites. The previous October, a double attack in two popular Red Sea resorts in the Sinai left 34 people dead, including 11 Israelis.

Sharon and Abbas met in central Jerusalem on June 21. Prior to the meeting, sources close to the Israeli prime minister said that Sharon intended to tell Abbas of his deep concern about the PA’s “inaction” in the face of the escalating violence, most of which had been perpetrated by Islamic Jihad. Sharon demanded that Abbas and Interior Minister Yousef present a detailed plan on how the PA security services intended to prevent attacks on soldiers and settlers during Israel’s withdrawal from the Gaza Strip in August. Sharon warned that he would order the IDF to use every means necessary to prevent violence against Israeli targets during and after the disengagement.

Both sides conceded that the meeting itself ended in deadlock, with virtually nothing accomplished. Sharon told Abbas that there could be no political progress “as long as terrorism continues.” The Palestinians described the meeting between the two leaders, the first since the Sharm al-Sheikh summit in February, as “difficult,” coming as it did in the wake of terror attacks and a failed attempt to dispatch a female suicide bomber
from Gaza to blow herself up in Soroka Hospital in Beersheba. "There were no positive answers to the issues we raised," said PA prime minister Qurei, who attended the meeting. According to several reports, a microphone picked up Sharon telling Abbas at the beginning of the meeting, "We are still taking casualties." Terror attacks, he said, were weakening Israeli public support for the planned disengagement.

Abbas sought concessions that would bolster his support among Palestinians, who were increasingly skeptical about the value of cooperation with Sharon. Abbas asked for an Israeli withdrawal from Palestinian cities, the lifting of roadblocks that severely impeded Palestinian daily life, and the freeing of Palestinian prisoners still in Israeli jails. Sharon replied that he was ready to hand over control of two cities, Bethlehem and Qalqilya, to release some prisoners, and to grant an additional 39,000 permits for Palestinians to work or do business in Israel so as to ease their economic hardship. But such concessions, Sharon spokesman Ra’anan Gissin said afterward, were conditioned on heightened Palestinian efforts against terror. Gissin said, "It is not only Abu Mazen who has problems. If the [Israeli] public does not support [Sharon's disengagement] plan, the whole thing will fail."

Meanwhile, the IDF received a green light to operate against Islamic Jihad in the West Bank. "Israel will act against any terror organization that is carrying out attacks if the Palestinian Authority doesn't," Mofaz explained. "The Islamic Jihad is not committed to the cease-fire, and we have a duty to protect Israel's citizens." Deputy Defense Minister Ze'ev Boin told Army Radio, "The cease-fire needs vigorous treatment, because it is dying. There is no one there [in the PA] to enforce it."

Cpl. Uzi Peretz, 20, of Beersheba, was killed and four other soldiers, including the only doctor in the Har Dov sector on the foothills of Mt. Hermon, were wounded in fierce clashes with Hezbollah on the northern border on June 29. The IDF responded with artillery fire and air strikes on at least five Hezbollah targets in southern Lebanon. The following morning troops killed at least one member of a Hezbollah squad that had infiltrated Israeli territory. These events marked the first clash in the tense northern border area in four weeks.

Controversies and Conflicts

At the beginning of July, Abbas invited Hamas to begin negotiations to join the government headed by Qurei, who had talked of setting up a national-unity cabinet including both Hamas and Islamic Jihad. But
Hamas rejected the offer. A Hamas spokesman said that the decision was made “following deep consultations.”

At a meeting with Sharon and security officials on July 6, Mofaz proposed rerouting the West Bank security fence near the large settlement of Ariel in a way that would ease the lives of Palestinian villagers in the area. Under the proposed changes, as reported by Yediot Aharonot, the villagers would have an easier time accessing Palestinian towns such as Bethlehem.

On July 9, PA officials welcomed the aid package announced at the recent G-8 summit that promised up to $3 billion, saying the money had to be disbursed quickly to help rebuild the Gaza Strip after Israel withdrew. They told the Jerusalem Post that much of the sum was expected to go toward infrastructure and job creation.

Five people were killed and about 90 wounded when a suicide bomber detonated himself on a pedestrian crossing near the entrance to Hasharon Mall in Netanya shortly after 6:30 P.M. on July 12. The bomber was identified as Ahmed Abu Khalil, 18, from the West Bank village of Atil. Islamic Jihad claimed responsibility for the attack. Menashe Arviv, the regional police commander, said an initial investigation revealed that the explosive belt detonated by the terrorist weighed about ten kilograms, and contained nails and ball bearings. He believed that the bomber detonated the charge prematurely after noticing the large-scale police deployment ordered in Netanya. Among the most seriously wounded were three-year-old Liel Sobersky and her mother and grandmother, Margarita Sobersky and Anya Lifshitz. Lifshitz died the following day of her wounds.

Early the following morning, IDF troops moved into Tul Karm in search of suspects in the Netanya bombing, and Israel imposed a full closure on the West Bank and Gaza. Col. Erez Weiner of the IDF said the terrorist who carried out the Netanya bombing did not breach the West Bank security fence, but rather bypassed it. “We’ll continue to operate in Tul Karm as long as necessary,” he said, adding that the operation could last from several hours to several days.

The PA reacted to the bombing with an announcement that it would crack down on Islamic Jihad. But less than 24 hours later, Palestinian officials in Ramallah backtracked, saying that “only those directly linked to the [Netanya] attack would be punished.” According to one report, Abbas described those responsible for the attack as “idiots.” Abbas continued to advocate dialogue, not the use of force, as the way to persuade Hamas and Islamic Jihad to avoid violence. Taking aggressive action
against the two groups, a source close to the PA leader said, would simply lead them to resume attacks on Israel.

Sharon met with French president Chirac on July 27 in Paris in an effort to strengthen Franco-Israeli relations. Sharon's standing in France had surged after the announcement of the disengagement plan. The two leaders discussed the role of France in the Middle East peace process, the possibility of France pressing the PA to dismantle the terrorist infrastructure, and Chirac's efforts to end anti-Semitic violence in France (see below, pp. 344-45).

Acceding to U.S. pressure, Israel announced on September 2 that it was freezing its plan to expand the E-1 area in the West Bank town of Ma'ale Adumim, east of the capital (see above, p. 243). The Americans had urged Israel not to expand existing settlements, in line with Israeli commitments under the internationally backed "road map" peace plan. The expansion of Ma'ale Adumim, already a city of about 30,000, would have cut off eastern Jerusalem, claimed by the Palestinians as a future capital, from the rest of the West Bank, and the northern and southern parts of the West Bank from each other.

Foreign Minister Shalom disclosed that ministry officials had visited Morocco and held secret meetings with top officials about the possibility of resuming diplomatic relations between the two countries that had been broken off at the start of the intifada. Shalom himself, accompanied by his mother, visited Tunis, where he had been born and brought up, in November.

Violent clashes between unemployed Palestinians and PA security forces broke out in the Gaza Strip in early September, the protesters demanding that the PA find them jobs. Musa Arafat, the former Palestinian security chief in the Gaza Strip and nephew of Yasir Arafat, was assassinated in Gaza on September 7. An estimated 100 masked gunmen claiming to be part of the Popular Resistance Committee organization took over the area where Arafat lived, overpowered his bodyguards, dragged him into the street, and fired 23 bullets into his body, execution-style. Hamas and the Popular Resistance Committee both denied they were responsible.

**International Implications**

Doron Almog, a former Israeli general, landed in London on September 11 for a scheduled three-day speaking tour of Jewish communities to raise money for an Israeli facility for brain-damaged children. Before dis-
embarking from the El Al plane, however, he learned that a warrant had been issued for his arrest. Almog later told Army Radio, “We were about to get off the plane, then one of the stewards came up to me and said the pilot asked that I disembark last. After some time, the chief steward said that the military attaché was on his way and wanted to speak to me. I phoned, and he told me not to get off the plane.” Almog stayed on for the return trip to Israel.

A British Muslim group had filed war-crimes charges against him arising out of an incident on July 23, 2002, when he commanded the IDF in Gaza: Israel dropped a one-ton bomb on the home of Salah Shehadeh, killing the senior Hamas terror leader, an assistant, and 14 innocent civilians, nine of them children. The matter was resolved on September 17, when the British embassy in Tel Aviv informed Israeli officials that the case was being dropped for procedural reasons. But the Israeli Foreign Ministry cautioned that similar arrest warrants could still be issued in England against Israeli commanders. “Almog’s case has been canceled, but this matter is far from behind us,” spokesman Mark Regev said.

The Israeli-born attorney who filed the charges against Almog, Daniel Machover, immigrated to Britain with his parents in 1967. In a telephone interview with Israel’s Channel 2 TV, he said his law firm was continuously gathering evidence, and would not hesitate to file charges against other Israeli officers. “Doron Almog is only one of these individuals,” Machover said. “This is not an issue about Israel or Palestine. This is an issue about justice and about the proper application of criminal law.” Machover was reportedly supplied with the information about Almog’s travel plans by Yesh Gvul (There is a Limit/Border), an Israeli leftist group. The incident was not the first concerning an Israeli ex-general; three years earlier the Israeli embassy in London slipped Defense Minister Shaul Mofaz, the former chief of staff, out of the country to evade an arrest warrant for war crimes. Israel later managed to terminate the legal process against Mofaz.

Justice Minister Tzipi Livni said it was unacceptable that Israeli ex-soldiers could not set foot on British soil without fear of arrest, and said that Israel would provide legal aid in England and elsewhere for anyone affected. In an editorial, Ha’aretz noted that the arrest warrant should not be seen as an isolated incident but as part of a trend in which “the countries of the free world have decided that because it is not always possible to depend on countries to try their own war criminals, punishment for serious crimes should pursue their perpetrators to any place they seek asylum.” The only way to deal with the challenge, according to Ha’aretz,
was for the Israeli courts themselves to prosecute those suspected of violating the human rights of Palestinians.

Israel’s two chief rabbis, Shlomo Amar (Sephardi) and Yonah Metzger (Ashkenazi) met with Pope Benedict XVI on September 15 at the papal residence in Castelgandolfo, outside Rome, and asked the pontiff to condemn the destruction of synagogues in the Gaza Strip, where Jewish houses of worship were burned and looted by Palestinians after Israeli troops pulled out. “The world must raise its voice and so must the pope to condemn such acts against any holy site belonging to any religion,” Rabbi Amar said. The rabbis suggested that Pope Benedict make October 28, the date in 1965 when the Roman Catholic Church officially absolved Jews of responsibility for the death of Jesus, a day of reflection among Catholics on the evil of anti-Semitism. Asked to comment on a diplomatic row that had developed in July when the pope failed to mention Israel when referring to victims of terrorism during his Angelus prayer, the chief rabbis said they had noted “progress” on this issue by the Vatican.

That same day, Prime Minister Sharon addressed the UN General Assembly at the special session commemorating the UN’s 60th anniversary. Speaking in Hebrew, Sharon portrayed himself as a soldier who had become a man of peace, and was now reaching out to Israel’s Palestinian neighbors “in a call for reconciliation and compromise to end the bloody conflict and embark on the path which leads to peace and understanding between our peoples.”

Sharon said that the Jewish claim to the land was not exclusive. “The right of the Jewish people to the Land of Israel does not mean disregarding the rights of others in the land. The Palestinians will always be our neighbors. We respect them, and have no aspirations to rule over them. They are also entitled to freedom and to a national, sovereign existence in a state of their own.” Through the policy of disengagement, Sharon said, Israel proved it was prepared to make painful concessions to resolve the conflict, even though Israel was undergoing “a difficult crisis as a result of the disengagement.” The PA leadership, he continued, would have to do its part “to put an end to terror and its infrastructures, eliminate the anarchic regime of armed gangs, and cease the incitement and indoctrination of hatred toward Israel and the Jews.”

Sharon’s speech drew considerable media attention and caused ripples in the Israeli political system. The Reuters news agency said it had “turned Israeli politics on its head.” Pundit Ben Caspit, writing in the daily Ma’ariv, similarly noted that “the man who for the past four decades has intimidated, threatened, torpedoed, prevented, wagged his finger and
thundered with a parched throat, restarted the clock yesterday and re-defined himself." The Likud "rebels" who had fought the prime minister over disengagement saw his remarks as signaling Sharon's intention to leave the right-wing party he had founded and form a new center party. Labor Party leaders suggested that Sharon's clear repudiation of the dream of a "Greater Israel" could set the stage for a political alliance with them. Vice Prime Minister Ehud Olmert, however, perhaps Sharon's strongest backer on disengagement, commented: "This was not a farewell speech to the Likud. This was a speech that set a challenge for the Likud."

Palestinian officials, on the other hand, said that the speech did not meet their expectations. Jibril Rajoub, a West Bank security adviser to President Abbas, said that the call for a Palestinian state alongside Israel was not sufficient because it did not declare that Israel would withdraw to its 1967 borders. Another PA official, Nabil Abu Rudeineh, told Israel Radio that Sharon, with his unilateral approach, was not trying to advance the peace process but rather to bring about the failure of the U.S.-backed "road map." And Sa'eb Erakat, the chief PA negotiator with Israel, said talks between the two sides should be restarted.

While at the UN, Sharon met briefly with President Bush, who told him: "I am inspired by your courageous decision to give peace a chance. I know it was hard to do." This was one of only two meetings Bush had at the UN session; the other was with British prime minister Tony Blair.

While in New York, Sharon told journalists that Israel would not permit Hamas to participate in the PA elections on January 25, 2006, even though the U.S. favored such participation. "I don't think they can hold elections without our assistance, and we will make all possible efforts not to aid them if Hamas takes part," Sharon said. He mentioned leaving army roadblocks in place on the West Bank and in Jerusalem to make it impossible for Palestinians to reach voting stations. But Erakat said that any Israeli interference would only hurt Abbas and strengthen Hamas. "I urge Israelis to stay out of our elections and our internal affairs, and not to put their noses into this," Erakat said, adding that the election "will be a turning point toward political pluralism and toward maintaining law and order."

In a statement issued a few days later about Israel's disengagement policy, the Quartet—the U.S., the UN, the EU, and Russia—"paid tribute to the political courage of Prime Minister Sharon and commended the Israeli government, its armed forces and its police for the smooth and professional execution of the operations," while at the same time praising the PA for "responsible behavior during the Gaza withdrawal." At the same time, UN secretary general Annan signaled a pause in diplomatic polit-
ical activity in advance of Palestinian elections scheduled for January and what he called "political developments" in Israel, a reference to the possibility of early elections and a Sharon split from the Likud. "Obviously, we are monitoring these events very closely, and would want to see that settled before one takes any other bold initiatives," Annan said.

Almost a year after Yasir Arafat's demise in a French hospital, controversy continued over the cause of his death. Ha'aretz reported that French experts could not determine the cause, and quoted an Israeli AIDS expert who claimed that Arafat bore all the symptoms of AIDS. Another senior Israeli physician quoted by the paper took a different view, asserting that it was "a classic case of food poisoning," probably caused by a meal eaten some four hours before he fell ill on October 12, 2004, that may have contained a toxin such as ricin. But the same week as the Ha'aretz report, The New York Times, in an article based on access to Arafat's medical records, said it was highly unlikely that he had AIDS or food poisoning. Arafat's personal physician, Dr. Ashraf Kurdi, lamented the fact that the leader's widow, Suha, had refused an autopsy, which would have answered many questions in the case.

Postdisengagement Problems

On September 17, the PA acknowledged that at least 100,000 people had crossed the Gaza-Egypt border in both directions since the IDF left the Philadelphi Corridor a week earlier. In addition to smuggling large amounts of weapons, the infiltrators also brought into the Gaza Strip tons of drugs, including hashish, cocaine, and marijuana. Just the day before the PA had seized two tons of drugs near Rafiah.

PA president Abbas promised to correct the situation. "We made mistakes, now we have to rectify them," he said. Egyptian forces increased surveillance of the area and closed off gaps along the border with barbed wire, preventing Palestinians from crossing between Sinai and the PA territory.

In Paris, a spokesman for the French Foreign Ministry told journalists that so far as his government was concerned, the Gaza Strip was still occupied territory and would remain so "as long as no solution is found for the border crossings."

More than three dozen Palestinian police officers broke into the building of the Palestinian Parliament in Gaza City on October 3, firing into the air to protest a lack of bullets and equipment for use in what they said was a humiliating confrontation with Hamas. The protest came a day after severe fighting in Gaza in which Hamas gunmen attacked a police
station with assault rifles and RPG rocket-propelled grenades. The deputy police chief of the Shati refugee camp was killed in the fighting along with two civilians, and at least 50 people were wounded.

Bush and Abbas had an hour-long meeting in the Oval Office on October 21, and, in a joint press conference afterwards, Bush cautioned the Palestinian leader that "the way forward is confronting the threat armed gangs present to creation of a democratic Palestine." Bush did not publicly question Abbas's intention to allow Hamas participation in the scheduled PA elections, but Sharon adviser Zalman Shoval, a former Israeli ambassador to Washington, said he was confident that the president had told Abbas privately that Hamas should not play a role.

Luai Sa'adi, head of the Palestinian Islamic Jihad infrastructure in Tul Karm, was killed in an IDF operation on October 23. The army said that this group had been behind both the February attack on the Stage night club in Tel Aviv and the July suicide bombing in Netanya.

On October 26 a terror bombing killed six Israelis at a falafel stand in the open-air market of Hadera, between Tel Aviv and Haifa. The next day, Israel launched a targeted missile strike that killed seven Palestinians, including a top Islamic Jihad terrorist and three other militants. Sharon vowed to conduct a "broad and relentless" offensive including mass arrests and air strikes, and said he would not meet with President Abbas until the Palestinian leader cracked down on militants. But security officials said Israel would stop short of carrying out any large-scale military operation. A spokesman for Abbas said the Israeli leader's conditions for a meeting "do not serve the peace process, and we are ready for a meeting between Sharon and Abu Mazen without conditions."

On November 6, the parents of a 12-year-old Palestinian boy who was killed by an Israeli bullet during an antiterrorist raid in the West Bank city of Jenin donated their son's organs to three Israeli patients who were in desperate need of organ transplants. Ismail Khatib said the decision to donate his son Ahmed's organs was connected with the memory of his 24-year-old brother, who died waiting for a liver transplant. "I don't mind seeing the organs in the body of an Israeli or a Palestinian," Khatib said. "In our religion, God allows us to give organs to another person and it doesn't matter who the person is." Khatib hoped the donation would send a message of peace to Israelis and Palestinians.

On November 14, President Pervez Musharraf of Pakistan declared on CNN's "Late Edition" that there was little danger to his regime from extremists who were furious about rumors of the possible establishment of diplomatic relations with Israel. Following Israel's withdrawal from Gaza in August, Israeli foreign minister Shalom and his Pakistani counterpart,
Kurshid Kasuri, held a meeting in Turkey on September 1. On September 17, Musharraf himself had spoken before the American Jewish Congress in New York. “When we are talking to the Israelis and the Israeli foreign minister, or I address the Jewish congress, I am very clear that this is the strategic direction that Pakistan needs to take,” Musharraf said. “The vast majority of Pakistanis, the media, the intelligentsia, the masses, have all accepted this. Nobody is questioning me at all.” Musharraf added that an upgrade of relations with Israel would only come after the establishment of a Palestinian state.

Noting, with a smile, that she had gotten only two hours of sleep while others involved had not slept at all, U.S. secretary of state Rice announced on the morning of November 15 that she had succeeded in brokering an Israeli-Palestinian deal for the reopening of the Rafiah border crossing at the southern end of the Gaza Strip, on the Egyptian border. According to the Associated Press, the deal was reached after Israel, faced with unrelenting U.S. pressure, backed down on a number of its security demands. A day earlier, the deal had seemed impossible to reach, and James Wolfensohn, the former World Bank president who served as the Quartet’s special envoy, said the two sides seemed to be getting nowhere after 20 weeks of talks, and suggested he might go home. “If you want to blow each other up, I have a nice house in Wyoming, and in New York and in Australia, and I will watch with sadness as you do it,” he said, less than 24 hours before the breakthrough.

The official opening of the crossing took place ten days later, on November 25, and 1,587 people crossed, according to the EU observers at the spot. Speaking at the inauguration of the opening, PA president Abbas said that “we would not allow Gaza to become a large prison for a million and a half Palestinians,” adding that the event was the realization of a “small dream that is part of our progress on the way to an independent Palestinian state with Jerusalem as its capital. The achievement we’re celebrating today belongs first and foremost to the martyrs, wounded, prisoners, and all Palestinians who have sacrificed plenty in this struggle.” Israeli security officials continued to express grave concerns about the operation of the crossing, fearing the lack of safeguards to monitor and control who crossed into Gaza.

Preparing for PA Elections

The Fatah young guard, led by the jailed Marwan Barghouti, won a sweeping victory in the November primaries of the ruling Fatah party in
advance of parliamentary elections scheduled for January 25, 2006. The young guard had long pushed for reform of Fatah and a greater say in policy-making, especially since the death of Yasir Arafat in 2004. President Abbas blocked demands by Fatah old-timers to be assigned secure spots on the slate, and Palestinian analyst Hani al-Masri, speaking to the AP, said, “The old guard has failed politically and administratively, and in running their organization in a democratic way. It’s time to go home.” Despite the victory, there was no sign that Israel would release Barghouti, who was serving five life terms for involvement in terror attacks.

The mood of militance was expressed also by Azmi Bishara, an Israeli Arab MK, in early December. As reported in the Lebanese daily as-Safir, Bishara, on a visit to a book fair in Beirut, rhetorically declared to Israel: “Return Palestine to us and take your democracy with you. We Arabs are not interested in it.” He went on to claim that the establishment of Israel constituted robbery in broad daylight and that “Palestinians living in Israel . . . are like all Arabs, only with Israeli citizenship forced on them.” Upon his return to Israel, Bishara told Yediot Aharonot that these sentiments were nothing new. “I have spoken like this in the Knesset,” he said.

A December 12 car-bombing in Beirut took the life of journalist Gibran Tueni, a critic of Syria who had spent months in France fearing assassination. Suspicions for the crime centered on Syria. Tueni, 48, ran Lebanon’s leading newspaper, An-Nahar, which was founded by his grandfather in 1933.

That same day, the EU backed down on its plan to publish a report on East Jerusalem that was expected to be highly critical of Israeli settlement activity and the security fence. British foreign secretary Jack Straw, who chaired an EU foreign ministers’ meeting, said publishing the report at the time was inappropriate, since Israel was heading for national elections and the EU did not want “to get embroiled in domestic [Israeli] politics in the run-up to elections,” according to an Associated Press report. Israeli diplomats had made great efforts to delay publication of the report, which, they said, was biased against Israel and made no reference to Palestinian terrorist activity.

Abbas met on December 21 with leaders of the Fatah young guard, who were talking about running their own list in the January elections, separate from the veteran Fatah leadership. Both sides said the goal of the meeting was to reunite the party and field only one list of candidates, but no agreement was reached. The apparent split in Fatah intensified fears of a strong Hamas showing, if not an outright victory, especially
in light of the recent strong Hamas showing in the local elections. While some believed that such fears were overblown, others were deeply worried. “Fatah is in trouble,” said PA cabinet minister Hisham Abdel Razek on December 20. “Fatah needs a chance to prepare for the election, and that means we cannot hold the vote on January 25.”

Pressure mounted on President Abbas to put off the parliamentary elections, but Palestinian negotiator Sa’eb Erakat said there was no chance that Abbas would agree. “Postponing the election would be a disaster for the Palestinian people. Abu Mazen is determined to carry out this election as scheduled on January 25, and I totally agree with him,” he said.

Israel announced that it would take a calculated risk and ease restrictions on tourists coming to Bethlehem for traditional Christmas Eve ceremonies. Pilgrims would not need army permits to enter the town, and the military would try to speed the process by making random checks of tourist buses rather than examining every vehicle moving through its roadblocks. Indeed, the holiday passed without incident. AP reported that more than 30,000 tourists braved a sharp chill and stinging rain to visit the city, about a third more than in 2004, but still far short of the 150,000 who had come annually before the intifada.

Several thousand people packed Manger Square when a procession led by Latin Patriarch Michel Sabbah—the top Roman Catholic official in the Holy Land—entered the city. Sabbah called for an end to violence and expressed some hope. “There seems to be a new Palestinian and Israeli political reality, despite the many complications and hesitations that surround it,” the patriarch said. “Leaders with good and honest intentions can make of this new era a time of new blessings . . . stopping the past to make room for a new future.” A few weeks earlier, Sabbah had visited a place where the security fence was under construction, and prayed, along with about 1,000 followers, that it would be removed.

British aid worker Kate Burton, 25, and her parents, Hugh and Helen, were freed in Gaza on December 30, two days after being kidnapped by Palestinian militants. In a statement issued the next day, the Burtons said they had been treated “extremely well,” and asked to be “left in peace to recover with close friends and relatives.”

Diplomatic Milestones

The leaders of two strategically important countries—Russian president Vladimir Putin and Turkish prime minister Recep Tayyip Erdoğan—paid official state visits to Israel during the year.
Putin, who arrived on April 27, was the first head of Russia (Soviet or post-Soviet) ever to come to the Jewish state. President Katzav was the official host of the 40-hour visit, but meetings took place as well with Prime Minister Sharon and other officials. Putin also visited the Holy Sepulchre, the Russian Orthodox Church in Gethsemane, the Western Wall, and Yad Vashem, and spent time with veterans of the World War II Red Army living in Israel.

In Ramallah, where he laid a wreath on the grave of Yasir Arafat, Putin said that Russia would provide the PA with “technical help” and “equipment and training” to help reform the security services. “If we expect President Abbas to fight effectively against terrorism, we cannot expect him to do so with sticks and stones,” Putin said. He reiterated this theme in his private meeting with President Katzav, urging Israel to do more to help Abbas against the extremists.

Even so, Putin made an obvious effort to dispel any hint of pro-Arab bias. “It was all very warm, no question about it,” observed Prof. Galia Golan, an expert on Russia associated with the Interdisciplinary Center in Herzliya. “He backtracked on anything that was negative in the bilateral relationship and soft-pedaled anything that was negative in the Arab relationship. He did everything he could to put a good face on it,” she told United Press International. According to Golan, Putin told Prime Minister Sharon that Russia and Israel are “strategic allies when it comes to anything to do with [the war against] terror.” Russia’s Interfax news agency reported that Putin told Sharon that Russia “is intent on taking an active role, as much as it is possible, in the Middle East settlement,” and that Sharon replied that “Israel is the only country in the world that is ready to make concessions, even though it hasn’t lost a single war.”

Beneath the pleasant talk, however, two areas of disagreement remained: Israel (and the U.S.) rejected Putin’s proposal for an international conference on the Middle East in the fall, and Israel objected to Russian plans to sell armored troop carriers to the Palestinian Authority and antiaircraft missiles to Syria.

The proposal for an international conference was actually raised in Cairo, at a Putin press conference with Egyptian president Hosni Mubarak, and was immediately shot down in Israel and by White House spokesman Scott McClellan, who said, “We believe there will be an appropriate time for an international conference, but we are not at that stage now and I don’t expect that we will be there by the fall.”

In defending the Russian sale of SA-18 missiles to Syria, Putin sought to reassure Sharon that they were short-range defensive weapons that would not threaten Israel, and were meant only to prevent low-flying air-
craft from buzzing Syrian presidential palaces—a clear reference to Israeli air force “messages” delivered to President Assad. Russia was “not planning to do anything that would upset the balance of forces in the region,” pledged Putin. As for the armored troop carriers promised to the PA, a government source said that Israel would not allow them into the country. “First let’s see some steps toward peace, and then it will be possible to strengthen the Palestinian security forces, which are meanwhile taking part in fighting against us,” the source told Ha’aretz.

Prime Minister Erdoğan arrived a few days after Putin’s departure, saying he had come to contribute to the peace process in the Middle East. Prime Minister Sharon, for his part, said he thought Turkey could play a positive role in Palestinian economic development after the Israeli disengagement from Gaza. This statement was given credence by later reports that Turkey was willing to finance the reconstruction of the Erez Industrial Zone on the northern border of the Strip, which, before Israel evacuated in August, provided jobs for thousands of Palestinians working in Israeli factories or in Palestinian plants supplying goods to Israel. Erdoğan, who had earlier caused some concern in Israel with his sharp criticism of the targeted killing of Palestinian militants, did not refer to that issue during his two days in Israel, an indication that relations had improved. Accompanying the prime minister was a large delegation of Turkish businessmen.

Relations with New Zealand, deeply strained in 2004, appeared back on track in late August, when an Israeli diplomat, Naftali Tamir, the country’s ambassador to Australia, presented his credentials to Dame Sylvia Cartwright, New Zealand’s governor general (Tamir would represent Israel’s interests in both countries). This signaled the restoration of diplomatic ties that had been severed by Auckland after the arrest and conviction of two Mossad agents in a passport fraud case. Uriel Kelman, 31, and Eli Kara, 50, served about two months of their six-month sentences for obtaining a New Zealand passport under false pretenses, and were then deported (see AJYB 2005, p. 263).

The resumption of relations was preceded by Israel’s accession to New Zealand’s demand for an apology, a move that Prime Minister Helen Clark said proved that the pair, as well as two other men being sought, were indeed Israeli spies. The apology came in a letter from Foreign Minister Shalom to his New Zealand counterpart, Phil Goff, in June.

On July 6, Communications Minister Dalia Itzik became the first Israeli cabinet member to meet with Pope Benedict XVI when she came to Rome to present him with an Israeli postage stamp commemorating his
predecessor, Pope John Paul II. Itzik also delivered a personal letter from Prime Minister Sharon inviting the pontiff to visit Israel.

In a historic speech delivered in Hebrew at the Reichstag in Berlin on May 31, President Katzav warned against links between neo-Nazis and Islamic radicals. “Let us not be surprised if one day terror organizations use neo-Nazis to carry out terrorist attacks,” said Katzav, on a three-day trip to Germany to mark the 40th anniversary of the establishment of diplomatic relations between the two countries. “We are today witnessing a wave of resurgent anti-Semitism not seen since the end of the Second World War,” he declared, and noted “the growing legitimization of neo-Nazi forces” in Germany (see below, p. 425).

DOMESTIC DEVELOPMENTS

Israel by the Numbers

Israel’s population at the end of 2005 stood at 6.987 million people, according to the Central Bureau of Statistics (CBS).

Earlier in the year, on July 11, the Knesset was given a report showing that the country’s Jewish population at midyear, 5.235 million, was rapidly catching up to the U.S. Jewish community, which numbered about 5.28 million. The report’s sponsoring agency, the Jerusalem-based Jewish People Policy Planning Institute (JPPPI), predicted that sometime in 2006 the Israeli Jewish population would surpass that of the U.S., making Israel the world’s largest Jewish community. The report furthermore identified Israel as the only country in the world expected to see significant growth in the size of its Jewish population, while all other communities, such as those in Europe, were expected either to shrink, or, as in the case of North America, to remain relatively stable (see below, pp. 000–00). Earlier, in April, President Katzav announced plans for the organization of a new global Jewish body, a “Jewish Davos,” that would formulate strategies to stem the erosion of Diaspora Jewish communities, which he called a “crisis situation.”

Immigration to Israel in 2005 totaled 21,100, roughly the level that was common before the massive aliyah from the former Soviet Union in the 1990s. The CBS reported that of the 2005 immigrants, 9,400, or 44 percent, came from the FSU, virtually unchanged from the year before. Of the FSU newcomers, 4,200 were from Russia and 2,300 from Ukraine. Approximately 3,600 immigrants came from Ethiopia, similar to the num-
ber in 2004; 2,500 came from France, a rise of 25 percent over 2004; and 3,200 arrived from the U.S., a 5-percent increase. The number of immigrants from Argentina was 400, a decline of 13 percent.

The U.S. aliyah was largely via seven flights organized by Nefesh B’Nefesh, a voluntary organization that, since its inception in 2002, had facilitated the arrival of almost 7,000 American immigrants, almost none of whom had subsequently left the country. This record was considered so remarkable that in November the Israeli cabinet decided to provide funding for the program.

About 1,000 alumni of the Birthright Israel program, called Taglit (Discovery) in Hebrew, were living in Israel at the start of 2005, according to the Jerusalem Post. Since Birthright was founded in the late 1990s, about 75,000 young Jews from the Diaspora had visited Israel for the first time on free, ten-day educational trips. The program was founded by U.S. philanthropists Charles Bronfman and Michael Steinhardt, and funded by private donations, American Jewish federations, the Jewish Agency, and the Israeli government.

A survey conducted by the CBS during the period 2002–04 found that 44 percent of Israeli Jews over age 20 defined themselves as secular, 27 percent as traditional, 12 percent as traditionally observant, 9 percent as Orthodox, and 8 percent as haredi. Fully 63 percent of native Israelis of European or North American origin were secular, far more than any other subgroup, and 32 percent of secular Jews had a higher education, outstripping the secular educational attainments of the others. Secular Jews tended to have higher incomes than other Israelis. Among the haredim, 58 percent of men said that study was their primary activity.

The Economy

Prosperity and Poverty

Israel’s economy enjoyed a very good year in 2005. Moreover, it was the third consecutive year of improvement since the low point reached in early 2003 at the start of Ariel Sharon’s second term as prime minister, when the recession triggered by the intifada was at its worst.

No one contested the statistics, but controversy raged over who deserved the credit and over the social consequences. Long before he announced that he was running for prime minister, Benjamin (Bibi) Netanyahu, finance minister for slightly more than two of those good
years, was claiming that the improvement was due to the free-market economic reforms and budgetary restraint he had enforced. His rivals, however, even those who were part of the same government as Bibi, denied that Netanyahu should get all or even most of the plaudits.

There were also those who pointed out that the “success” of Israel’s economy had come at a heavy price. The number of Israel’s poor had increased greatly since Bibi took over at the Treasury and instituted cuts in government welfare spending that led, according to the critics, to an ever-widening gap between the very rich and the very poor.

Already in April, on the second anniversary of his appointment to the Treasury post, Netanyahu was trumpeting his accomplishments. “Two years ago when the Israeli economy was floundering, we came and presented a recovery plan and gave certain predictions. Some laughed, some ignored, but today we can all see the results,” he boasted. In his view, the annual growth rate of 4.3 percent, the increase in the average wage of 3.5 percent, the drop of the unemployment rate below 10 percent, the addition of 90,000 Israelis to the workforce, and the declining interest rate resulted directly from his management of the economy. Netanyahu predicted that within a decade Israel’s per capita Gross Domestic Product (GDP) would exceed the average for Western Europe, and that in just 15 years the Jewish state would rank among the world’s top ten in standard of living. Netanyahu made similar statements a few months later, in August, upon announcing his candidacy for the Likud leadership.

His enemies countered that the Israeli economic recovery was due to two key factors over which Netanyahu had no control: the improved security situation, for which most of the credit went to Prime Minister Sharon and perhaps Defense Minister Mofaz, and a perking-up of the world economy, particularly in the Western countries that constituted the principal markets for Israeli exports. Certainly, these nay-sayers granted, Bibi’s reforms were beneficial, but hardly decisive.

Movement toward freeing up the economy continued in 2005. Internationally renowned economist Stanley Fischer, a Zambian-born American who could speak Hebrew, a vice president of Citigroup, and former deputy head of the International Monetary Fund, was named governor of the Bank of Israel. He succeeded David Klein, whose tight-money policies often placed him at odds with Finance Minister Netanyahu. The new governor had been a professor of economics at the Massachusetts Institute of Technology for 22 years and served as a visiting professor at the Hebrew University of Jerusalem in 1972. A close friend of Jacob Frenkel, a former governor of the central bank, Fischer over the years was fre-
quently called on by the government of Israel as an adviser on financial issues. Fischer became an Israeli citizen before taking office on May 1, while also keeping his naturalized U.S. citizenship.

On July 26, the Knesset approved the Bachar Report for reform of the banking system, calling for loosening the banks’ hold on the sale of securities by requiring them to sell off all their holdings in mutual and provident retirement funds, while allowing them to sell life and pension insurance. The Knesset also approved a tax-reform law that would, among other things, reduce the maximum corporate tax from the current 34 percent to 25 percent by 2010, cut maximum individual tax rates from 49 to 44 percent, and reduce the Value Added Tax (VAT) from 17 percent to 16.5 percent. The changes took effect on September 1. In addition, the Knesset Finance Committee abolished, as of January 1, 2006, a 1961 law requiring stamps to be affixed on many official transactions.

On November 17, the State of Israel completed the privatization sale of its controlling interest in Bank Leumi, Israel’s second largest financial institution (after Bank Hapoalim) to the U.S.-based group Cerberus-Gabriel. The buyers paid NIS 2.47 billion (about $550 million) for a 9.9 percent share of the bank, with an option to purchase another 9.9 percent for a similar price in mid-2007.

Finalizing another important privatization process, the new owners of Bezeq, Israel’s telephone and telecommunications company, formally took over on October 11. A group comprised of Israeli-American Hollywood entertainment mogul Haim Saban, the Apax Partners investment firm, and Israeli businessman Moshe (Mori) Arkin paid NIS 4.24 billion ($923 million) for the controlling 30-percent share of Bezeq and a four-year option for an additional 10.7 percent.

When Netanyahu resigned from the Treasury Ministry on August 7, some feared damage to the economy, and the main indicators at the Tel Aviv Stock Exchange dropped by about 5 percent. But Prime Minister Sharon acted quickly to stabilize the situation by appointing Vice Prime Minister Ehud Olmert as acting finance minister. Investors calmed down, the exchange indicators stabilized, and the economy continued humming. This was seen as a sign of confidence in Olmert, who had been serving as minister of industry, trade, and labor.

In an interview with the Jerusalem Report, Olmert granted that Netanyahu deserved credit for several important achievements, but cautioned: “Let’s not lose our sense of balance. Bibi very skillfully described the status of the economy when he took it over in the worst possible terms, so that later he could say, ‘Look at what I did.’” And Olmert pointed to
the "very significant" social costs of the Netanyahu reforms. These included "the lack of care for the consequences, the growing number of people living below the poverty line, the fact that more than 360,000 Israeli children are now at risk, and the fact that there was not a strategic approach to battle with this."

**Balance Sheet for the Year**

Estimates of economic performance for 2005 published on January 1, 2006, by the CBS indicated an expansion of national GDP by 5.2 percent, up from 4.4 percent in 2004, and an increase of 6.6 in the business sector as compared to 6.3 the year before. Taking the 1.9-percent population growth rate into account, per capita GDP increased by 3.3 percent to $17,800, and factoring in the cost of living in Israel as compared with the West as a whole, that figure rose to $22,000 per capita.

The growth in the business sector was based largely on the trade, food, and hospitality sectors (up 8.1 percent), and in transportation, communications, and storage (up 9.2 percent). Although exports were up only 7 percent (as compared to 17.4 percent in 2004) to $26.2 billion, they remained the main engine for growth. Imports rose by only 4.4 percent to $28.4 billion, after a much sharper increase of 11.8 percent in 2004.

The unemployment rate declined to 9 percent in 2005 from its high of 10.4 percent at the end of 2004. But many of the roughly 90,000 new jobs created during the year were unskilled, temporary positions at minimum-wage levels, without social benefits or other prerogatives of full-time employees. Nevertheless, real wages increased by 2.6 percent during the first eight months of 2005, and the work hours of employed persons were up by 4.8 percent.

Government expenditures declined and so did the government deficit, which stood at NIS 10.8 billion ($2.5 billion), about 1.9 percent of GDP, at the end of the year. This was far lower than the 3—3.5 percent projection at the beginning of the fiscal year. Reduced government spending was not the only reason for the decline in the deficit. Another factor was a 9-percent rise in government revenues from taxes, itself a product of heightened economic activity.

The Consumer Price Index (CPI) rose by 2.4 percent for the year, well within the price-stability target of 1—3 percent set by the government in the 2005 budget. This followed a negative CPI of −1.9 percent in 2003 and a 1.4 percent rise in 2004. Still, the inflationary rate in the second half of 2005, 1.9 percent, was considerably higher than the 0.5 percent of the first
half. The main reason for the spike in prices during the second half of the year was a 6.8-percent rise in the exchange rate of the shekel against the dollar, largely due, in turn, to the rise in global crude-oil prices. The more expensive dollar acted to raise housing prices as well as the prices of the imported goods in the CPI, which went up faster than did domestic prices. Other factors influencing prices were the increasing exposure of Israel to goods from the Far East, and declines in import taxes. The shekel closed the year at NIS 4.603 to the dollar, as compared to NIS 4.308 on December 31, 2004.

On the investment front, the Tel Aviv Stock Exchange enjoyed its third successive bull-market year, symbolized, perhaps, by the exhibit of statues of bulls that the TASE erected, for the enjoyment of the public and to show its gratitude, along the city’s Rothschild Boulevard. The main index, the Tel Aviv 100, rose by 29 percent, while the Tel Aviv 25 was up 33 percent; for the entire three-year bull-market period, the two indices individually averaged annual increases of 36 percent. A survey by economists at Bank Hapoalim attributed the rise in stock prices to “the improvement in the security situation, the recovery in the economy, and the reversion to a growth pattern, a large reduction in the interest rate during the past three years, and naturally, the continued improvement in the performance of publicly traded companies.”

Another sign of confidence in the Israeli economy was the level of investment by nonresidents, which reached a record $9.7 billion in 2005. The investment of foreigners in portfolio shares on the Tel Aviv Stock Exchange reached an annual record of $2.1 billion. Still, the Bank of Israel reported, “direct investment remains the largest component in total investment by nonresidents in Israel,” totaling $5.7 billion. In December alone, new foreign investment in Israel reached $648 million, $255 million of it in direct investment and the remaining $393 million in Israeli bonds and shares.

Tourism to Israel increased by 27 percent, from 1.5 million in 2004 to 1.9 million in 2005, reflecting a turnaround in the industry (tourism had actually started picking up with the drop in violence during 2004). But the CBS noted that the 2005 figure was still 21 percent lower than the peak year of 2000, when almost 2.5 million tourists—including the late Pope John Paul II—visited the country.

Every one million tourists brought approximately $1.5 billion into Israel and supported almost 40,000 jobs, the Associated Press quoted tourism officials as saying. Minister of Tourism Avraham Hirschsohn said he hoped for three million tourists, far and away a record number,
in 2006. According to the ministry’s statistics, the U.S. was the largest source of visitors in 2005 with 457,500 arrivals, up 21 percent from 2004. French tourism, up 21 percent, was a record 311,400, and tourism from Britain was up 7 percent to 156,700. Other significant increases were from Germany (39 per cent to 105,200), Italy (74 per cent to 73,000), and Spain (147 per cent to 52,000).

**The Bad News**

If the accession of Olmert at the Treasury presaged a continuation of the economic status quo but with a kinder, gentler face, others insisted on the need for a dramatic shift in policy. Among them was Prof. Zvi Zussman, former deputy governor of the Bank of Israel, who challenged the basic thesis of building “a society based on work, not welfare,” which both Netanyahu and Olmert advocated. Speaking at a public forum on the fight against poverty in Jerusalem, Zussman said, “Benjamin Netanyahu was wrong. Most poor people work. The welfare cuts actually retard economic growth. More and more poor people are becoming paupers.” To prove his point, Zussman cited tax figures showing that between 1990 and 2004, 977,000 people dropped below the poverty line, many of them workers. “It is not a poverty of bums and not necessarily of part-time workers. More than half of those below the poverty line work full time. The problem is that 67 percent of wage earners in poor families are low-wage earners,” he said.

The National Insurance Institute’s annual poverty report for 2005, released in mid-January 2006, substantiated Zussman’s position. It found that the number of poor Israelis had risen by 9,000 in the course of the year to reach 403,000. The greatest change, according to the report, was the 3-percent rise during the year in the number of working poor, those whose income from employment was not sufficient to put them over the poverty line.

Examined over a longer term, the number of poor Israelis grew from 1.09 million in 2000 to 1.58 million at the end of 2005. Poverty had increased over this five-year period much faster than the natural population increase: while the poor constituted 18.8 percent of the total population in 2000, they made up 24.1 percent in 2005. Reporter Ruth Sinai, writing in Ha’aretz, put the situation starkly: “Five years ago one in every five Israelis was poor, and by 2005 that number had risen to one in four.” Over a third of Israel’s children (738,000, or 34.1 percent) lived in poor families, up from 714,000 in 2004 and 480,000 five years earlier.
All this was true even though the poverty line itself, defined by law as half of the median disposable income, hardly rose.

Reacting to the report, Labor MK Yuli Tamir said it proved that under both Netanyahu and Olmert running the Treasury, the government had "abandoned one-fourth of the people. . . . The government's policy is turning Israel into a third-world nation, where the middle class practically does not exist." An unnamed Likud spokesman responded, "Only the Likud, under the leadership of Netanyahu, who rescued Israel from collapse, can lead the struggle to overcome poverty now that the national coffers have been filled as a result of the economic policy."

On August 1, just a few days before his resignation from the government, Netanyahu unveiled the so-called "Wisconsin plan" for the unemployed, which, he explained, would lower the cost of providing for the jobless, place more of them in the workforce, and ensure that those seeking to evade work would not be able to do so. The plan was known in Hebrew as Mehalev, a word meaning "from the heart" that also formed the acronym for "from welfare to secure sustenance." It required the 14,000 Israelis currently receiving unemployment insurance to register at one of four regional, privately run centers that would provide personal assistance and instruction while helping them find low-level jobs. Those refusing to take such jobs could have their unemployment payments canceled. The plan did not, in its early stages, meet the expectations of its architects. Some enrollees complained that the program did not find jobs for them. Perhaps, critics suggested, there was little incentive for the private companies to do so, since their payments from the government depended on reduction of the government's welfare expenditures in each of the target areas, not on the number of clients placed in jobs.

Other Economic Highlights

In 2004, exports worth $3 billion made Israel the world's fifth largest defense exporter. In early November 2005, when such exports were at $2.3 billion for the year, the Defense Ministry projected that the 2005 figure could reach $3—$3.5 billion by year's end. In the record year of 2002, Israeli defense exports amounted to $4.1 billion, making it the world's third largest arms exporter. According to a late-September report in The New York Times, Israel ranked third—behind Canada and Great Britain—in foreign defense suppliers to the U.S.

The U.S. lifted its freeze on Israel's participation in the F-35 Joint Strike Fighter project in early November in the wake of an agreement
reached during Defense Minister Mofaz's visit to Washington in August. Israel's participation in the project had been put on hold following tensions between the countries over Israel's security deals with China, particularly the sale of Harpy UAVs (see AJYB 2005, pp. 261–62). In resolving the crisis, Mofaz and U.S. Secretary of Defense Rumsfeld signed an agreement in which Israel pledged to tighten control over arms sales, including to China, that might harm U.S. interests, if the arms being sold had no U.S. physical or technological component. Mofaz said Israel planned to acquire 100 of the F-35s when development was completed and production would begin, sometime near the end of the decade.

Israel's Arrow antimissile system successfully intercepted a simulated Iranian Shihab-3 missile at high altitude on December 2, and a senior defense source said the system was capable of downing missiles equipped with nonconventional or nuclear warheads. The Arrow had been developed by Israel and the U.S. Air Force plane. The Arrow had been developed by Israel and the U.S. to examine enhanced system capabilities and interface with the U.S. Patriot missile system, which was to be activated if the Arrow did not destroy its target. The simulation was launched from an Israeli Air Force plane, and the Arrow was launched from Israel and the U.S. Arrow system was designed to be activated if the Arrow did not destroy its target. The simulation was launched from an Israeli Air Force plane and the Arrow was launched by the U.S. Air Force.

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Israel ranked first among the nations of the world in acquisition of U.S. companies since 1997, according to Bank of America data. Israeli acquisitions amounted to $127 billion compared to $11.2 billion by Mexico, $7.8 billion by Brazil, $6.5 billion by Singapore, and $5 billion by Hong Kong. Most of the Israeli acquisitions were made by Teva, the country's world-class pharmaceutical company. In July 2005 Teva acquired Ixix, a Florida-based maker of injectable generic drugs, for $74 billion, the biggest-ever acquisition by an Israeli company. Beyondvax, an Israeli firm engaged in the development of vaccines based on the research of Prof. Ruth Arnon of the Weizmann Institute, was trying a new approach to come up with a universal flu vaccine. Conventional vaccine development, using weakened flu strains, sometimes did not work for rapidly mutating flu strains. Beyondvax sought to isolate common characteristics of many flu strains and create a synthetic inoculation that would attack those weak points.

Nanotechnology was another area in which Israel made strides. The Haifa-based Technion-Israel Institute of Technology announced in February that it was establishing an $88 million nanotechnology research institute. Israel's Antisense Pharmaceuticals, an Israeli firm, was developing a new drug that could treat cancer.

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stitute. The New Jersey-based Russell Berrie Foundation and the Israeli government each put in $26 million, with the Technion planning to raise the remainder from supporters around the world. And in late December, Bar-Ilan University, located just outside Tel Aviv, said it was establishing a $133-million nanotech center. The university would raise $100 million for the project, due to open in 2007, in addition to $33 million in government grants.

Israeli firms enjoyed a dominant position in the growing on-line gambling industry. One company, Cassava, owned by two pairs of brothers, Avi and Aharon Shaked and Shai and Ron Ben Yitzhak, operated a number of gambling Web sites that included Pacific Poker, Reef Club Casino, and 888.com, and reportedly had profits of $100 million in 2004. The main figure in Empire Online, which provided promotional software for on-line casinos, was an Israeli, Noam Lanir; another gambling site, Poker Stars, was owned by the Steinberg family of Israel.

A $525-million grant for Intel’s new $4.5-billion Fab 28 plant in the southern town of Kiryat Gat was approved by the Israeli cabinet on November 29. The computer-processor chipmaker’s new plant, alongside the existing Fab 18 plant in Kiryat Gat, would employ 2,400 people. Intel also said it would invest $500 million in upgrading Fab 18, which had produced exports worth $4.87 billion since it opened in 1999.

The U.S. company Cisco Systems, a world leader in networking equipment, announced on July 27 that it would acquire an Israeli start-up that provided service-management equipment, Sheer Networks, for $97 million in cash and options.

The first-ever bond issue by an Israeli municipality, the city of Ramla, not far from Ben-Gurion International Airport, was completed on October 2. The Ma’alot rating company gave Ramla’s bonds, backed by city taxes, an A+ rating.

Land Issues

All land managed by the Israel Lands Administration, including that owned by the Jewish National Fund (JNF), must be marketed without discrimination or limits, Attorney General Menachem Mazuz said of January 26. This ruling was made in preparation for the state’s response to three High Court petitions against restricting JNF land to Jews only that had been filed in 2004 by the Arab Center for Alternative Planning, the Association for Civil Rights in Israel, and Adalah: The Legal Center for Arab Minority Rights in Israel. The petitions claimed that the re-
striction contradicted the fundamental principles of Israel as a democratic state. JNF, wholly owned by the World Zionist Organization, was established in 1901 to collect donations from Diaspora Jews for the purpose of buying land in Israel. The JNF leased the land to Jews only, in keeping with the fund’s regulations. Since 1961, JNF land had been marketed by the ILA, a government-run entity created to manage state land. In contrast to other state land, non-Jews were prohibited from participating in ILA tenders for leasing JNF land.

Just a few days later, on February 1, the attorney general annulled a decision made in 2004 by two cabinet ministers, Natan Sharansky and Ze’evul Orlev, acting as the Ministerial Committee on Jerusalem, to apply the absentee property law to tens of thousands of acres of Palestinian land in East Jerusalem. Decided over the objections of two officials of the Justice Ministry and without consulting the attorney general, that determination had enabled the state to confiscate property in East Jerusalem with no compensation, on the grounds that the owners, who had fled when Israel took East Jerusalem in the Six-Day War of 1967, were not residents of Jerusalem.

Mazuz now told Finance Minister Netanyahu to halt such confiscations immediately. “This decision cannot stand,” Mazuz said in his letter to Netanyahu. Mazuz argued that the “absence of West Bank residents from East Jerusalem is a technical matter, since they became absentees due to a unilateral action taken by Israel. . . . In effect they are ‘absent-present,’ and their rights to the property were denied them due to the technically broad law.” In making the decision, Mazuz followed the line taken in 1968 by then-attorney general (and later Supreme Court president) Meir Shamgar, who ruled that “since the property was not absentee property when the army entered East Jerusalem, and would not have turned into absentee property if East Jerusalem had continued to be part of Judea and Samaria, we did not see any justification for the annexation of Jerusalem resulting in taking away property from someone who was not actually absent.” Orlev, now only a Knesset member and not part of the government, defended the original decision and called Mazuz’s ruling “the suicide of the Jewish state,” declaring that “the absentee property law has existed on the books for many years, and the attorney general is also subject to it.”

The newly chosen Greek Orthodox patriarch of the Holy Land, Theofilos III, filed suit against Israel in November, charging that it refused to recognize his title in the hope of pressuring him to support the controversial lease of church land to Jewish groups in East Jerusalem. The
Associated Press, quoting a church official who spoke on condition of anonymity, said the patriarch would not approve land deals that had been signed during the tenure of his predecessor, Irineos, who was ousted in May amid allegations that he leased land to Jewish groups for a 198-year period.

Religion and State

The issue of whether converts to Judaism would be recognized as Jews under the Law of Return only if converted in Orthodox ceremonies had long been a matter of contention. As the law stood at the beginning of the year, people converted to Judaism by Reform or Conservative rabbis outside Israel were recognized, but within Israel only Orthodox rabbis were authorized to perform conversions.

The Supreme Court on March 31 modified this arrangement by issuing a ruling about so-called "leaping converts," people who studied for conversion with non-Orthodox rabbis in Israel, and then went abroad for their actual conversions. Seventeen such individuals had petitioned the court to be recognized as Jews in accordance with the Law of Return.

In its 7-4 ruling, the court said that despite the establishment of the Ne'eman Commission in 1998 to come up with an acceptable compromise, no solution had yet been agreed to, and therefore that commission's recommendation to recognize only one body, an Orthodox rabbinical court, for approval of conversions had no binding force. The court said: "We accept the fact that the misuse of overseas conversions must be prevented, but why exclude other Jewish movements, which the state also believes must be treated equally?" The two non-Orthodox movements had promised the Interior Ministry that they would not send foreign workers or other nonresidents abroad for conversions, and thus the court ruling would, for all practical purposes, affect only non-Jewish spouses of Jewish Israelis.

The opinion did not address the question of whether non-Jews who underwent non-Orthodox conversions inside Israel might be considered Jews, and thus failed to satisfy the Reform and Conservative groups. The Orthodox parties in the Knesset, for their part, expressed outrage at the decision and threatened to introduce legislation placing all conversions under the sole authority of the Orthodox chief rabbinate, but, aware that it had no chance of passage, did not follow through on the threat.

Another lawsuit challenging the Orthodox establishment came in September, when American-born Miri Gold, a Reform rabbi serving a 70-member congregation at Kibbutz Gezera, petitioned the Supreme Court
to have her salary paid by the government just like the Orthodox municipal rabbis recognized by the state. Her suit was backed by the Israel Movement for Progressive Judaism, Reform Judaism's Israel branch. Orthodox leaders warned that any state recognition of non-Orthodox forms of Judaism could lead to irrevocable splits within the Jewish people.

Investigations

Attorney General Menachem Mazuz said on February 17 that he was dropping the investigation of Prime Minister Sharon and two of his confidants, Dov Weisglass and Uri Shani, that centered on the establishment of shell companies to funnel illegally raised funds for the 1999 Likud leadership race. Mazuz said there was insufficient evidence to make a prima facie case. The investigation had been launched after a state comptroller's report in 2001 exposed the use of illegal contributions in the campaign and suggested the possibility of criminal activity (see AJYB 2004, pp. 152—55). Mazuz emphasized, however, that he was not granting the prime minister or his circle a clean bill of health. “The closing of a criminal investigation due to lack of sufficient evidence is not a public certificate of approval for the actions of the people in question,” said Mazuz.

This was not the only investigation involving Sharon. In 2004, Mazuz decided not to indict the prime minister for taking bribes in the so-called Greek Island Affair, regarding his role, as foreign minister in the late 1990s, in trying to intercede with the Greek government on behalf of a well-connected Israeli developer, David (Dudi) Appel (see AJYB 2004, p. 153). And Sharon as well as his two sons, Omri and Gilad, still faced a separate investigation in the so-called Cyril Kern Affair involving a $1.5-million “loan” they received from a South African-British businessman to repay money received in illegal contributions for the 1999 campaign (see AJYB 2004, p. 147).

At the same time, the original campaign contributions case, though no longer aimed at Prime Minister Sharon and his two advisers, was still being pursued against Omri Sharon, now serving as a Likud MK, who was charged with fraud, breach of trust, and perjury on February 18. At first Omri Sharon insisted he would fight the charges, saying, “The election laws are unrealistic, unreasonable and absurd. I will make my case fully in court.” But on November 16 he pleaded guilty as part of a plea-bargain deal with the prosecution. Dan Sheinmann, Omri Sharon’s attorney, told the press: “It was important for Omri to plead guilty and take full responsibility.”

Law enforcement officials said on March 9 that they would not open
a criminal investigation against Shas spiritual leader Rabbi Ovadia Yosef, a former Sephardi chief rabbi, for statements he made about Prime Minister Sharon in his weekly sermon a few days earlier. Senior Justice Ministry officials said that Attorney General Mazuz had received complaints about the statements of the elderly rabbi, particularly his remark, in an apparent reference to the disengagement plan, “How cruel is the evil one who does such things! The Holy One wants us all to return to the Torah, and then He will strike him with one blow and he will die. He will sleep and never wake up.” Prosecutors said that the rabbi’s statements, strong as they were, did not constitute incitement under the penal code. An explanation issued on behalf of Rabbi Yosef expressed regret that his words had been seen as a desire for Sharon’s death. Ha’aretz reported that the rabbi had been agitated and highly emotional following a meeting with prominent rabbis from the West Bank and Gaza Strip who had spoken to him about the distress of settlers facing evacuation.

In late February, police arrested five Israelis—including Lt. Col. Yair Blumenthal, head of the infrastructure of the army’s Civil Administration in the West Bank, and Hai Cohen, the former CEO of Himnuta, a settlement subsidiary of Keren Kayemet L’Israel, the Jewish National Fund—on charges of massive land fraud. They had, it was charged, accepted bribes to approve West Bank real estate deals while knowing that the signatures of Palestinians who were allegedly selling their land were forged. According to a report by Akiva Eldar in Ha’aretz, a police document summarizing the case noted that illegal land deals had been going on for years in the areas of Jericho, Gush Etzion, Hebron, Givat Ze’ev northeast of Jerusalem, and in the northern West Bank. The suspects allegedly collected about NIS 11 million ($2.4 million) in illicit profits, and had another NIS 18 million in the pipeline. The gang was caught when heirs of a former Jordanian minister discovered, in checking at the Jericho property registration office, that land belonging to the ex-minister had been registered to other people.

In May, Meir Amar, 31, the son of Rabbi Shlomo Amar, the Sephardi chief rabbi, was convicted of kidnapping and beating an ultra-Orthodox 17-year-old boy who became romantically involved with Rabbi Amar’s 18-year-old daughter over the Internet. The victim claimed that both Rabbi Amar and his wife had knowledge of the incident, which began in an Arab village where Meir Amar had friends and ended up in the Amar family home. Police confirmed that both Rabbi Amar and his wife were at home at the time this took place and questioned the rabbi “under caution,” but did not file charges.
According to a report in *Ha'aretz*, police investigators said in December that they had sufficient evidence to charge Likud MK Yehiel Hazan with stealing old voting panels from the Knesset with the intention of obstructing justice in the double-voting trial under way against him and fellow Likud MK Michael Gorolovsky. The two were accused of illegally casting votes twice in the Knesset in 2003, in the vote on the budget. Hazan was spotted by surveillance cameras taking the panels out of a Knesset storeroom; he claimed he had permission to take them in order to prepare his defense for the trial.

**Other Domestic Matters**

In a landmark decision, the Supreme Court ruled 7-2 on January 10 that members of a lesbian couple who had been living together for 15 years would be allowed to adopt each other's children. There were three children born to them, all through a sperm bank. In 1997 the family court in Ramat Gan had rejected their petition seeking the right to adopt, but did grant them guardianship of each other's children.

Dozens of Christian businesses were burned to the ground and many Christian families fled the mixed Christian-Druse village of Maghar, in the Galilee, during riots on February 10–12. The trouble started after a rumor spread that Christian youths had placed pornographic pictures of Druse girls on the Internet. Police later determined that the youth who first reported the photos had lied, but he later claimed that the authorities were making him a scapegoat. The violence peaked on February 12, when eight residents of the village and three police officers were injured. Dan Ronen, Northern District commander of the police, called the events "a pogrom."

The renovated $56-million Yad Vashem Holocaust memorial museum officially opened on March 15 on Mount Herzl. Prime Minister Sharon, UN secretary general Kofi Annan, German prime minister Joschka Fischer, and other world leaders spoke at the event. The new museum building, designed by renowned architect Moshe Safdie, took up 45,000 square feet, and sought to counter the tendency to universalize the Holocaust by stressing the suffering of the Jewish victims. Avner Shalev, the chief curator, warned that if the trend to universalize was not fought, "it might come to the point where the story will be told without Jews, or the Jews will be very marginal."

On March 22, 700 members of the Hadassah Women's Zionist Organization of America—the largest mission in the organization's 93-year
history—celebrated the official opening of the new $50-million emergency department at Hadassah University Medical Center in Jerusalem. “We have built bridges of peace among all the people who enter our institution,” said June Walker, national president of Hadassah, at a reception at Beit Hanassi. The Hadassah Medical Organization, which also maintained a medical center on Mount Scopus, had been nominated for a Nobel Peace Prize by senior government officials and academics in four countries.

Shlomo Amar, the Sephardi chief rabbi, said on April 3 that he would formally recognize the Bnei Menashe community of northeastern India as “descendants of Israel,” and would send a rabbinical court to the region to help members formally convert to Judaism. The tribe, living mostly in the states of Manipur and Mizroam, along India’s borders with Burma and Bangladesh, claimed descent from Menashe, one of the Ten Lost Tribes exiled from the Land of Israel by the Assyrians almost 3,000 years ago. About 800 of them had already immigrated to Israel through the efforts of Shavei Israel, a Jerusalem-based group dedicated to bringing “lost Jews” back into Judaism.

It was disclosed in May that a few days before her death in June 2004, songwriter Naomi Shemer had acknowledged in a letter to a friend that the melody for “Jerusalem of Gold,” one of her biggest hits, had been based on a Basque lullaby. For years Shemer had angrily denied the Basque connection to her classic 1967 song that became associated with the reunification of Jerusalem in the Six-Day War.

The Jerusalem gay pride parade on June 30 turned chaotic when an ultra-Orthodox man broke in among the marchers and stabbed three people. Yishai Schlissel, an Orthodox Jew from Upper Modi’in, approximately halfway between Jerusalem and Tel Aviv, was arrested for the crime, and reportedly told police interrogators that he “came to kill in the name of God.” Dozens of ultra-Orthodox hecklers lined the parade route, and organizer Haggai Elad blamed the incident on Jerusalem mayor Uri Lupoliansky, who had been involved in unsuccessful ultra-Orthodox efforts to cancel the march.

The Tel Aviv annual gay pride parade, held earlier in the month, went more smoothly, as thousands marched from Rabin Square to the Yarkon Park. Mike Hamel, chair of the National Association of Gay Men, Lesbians, Bisexuals and Transgendered in Israel, said that the parade was organized with the “close cooperation” of Tel Aviv officials. “It’s great to see it, and great that it’s one of the few places in the world that has the support of a municipal body, a government body.”
On July 13, the new control tower at Ben-Gurion International Airport was named for late Israeli astronaut Ilan Ramon. The dedication took place a day before the planned launch of Discovery, the first U.S. space shuttle since the disaster in which Ramon and the other Columbia shuttle astronauts were killed on February 1, 2003. The ceremony was attended by Ramon's widow and other family members.

The Knesset passed a new law on July 20 requiring women to be involved in “all decision-making in mechanisms for the prevention, management and resolution of conflict.” This was actually an amendment to the 1951 Equal Rights for Women Law, and fell short of the feminist goal of requiring at least 25-percent female representation in such matters. A coalition of Jewish and Arab women’s groups announced that it would work to ensure implementation of the statute.

Israel moved quickly to aid the victims of Hurricane Katrina after the monster hurricane devastated a wide area of the U.S. Gulf Coast in early September. IsraAID (the Israel Forum for International Aid) sent a private delegation of divers to New Orleans to search for bodies in flooded homes. The Israeli team also gave first aid to survivors, rescued abandoned pets, and located hurricane victims. Magen David Adom (Israel’s Red Cross) and other Israeli groups collected donations for storm victims, and Tel Aviv University and the Hebrew University of Jerusalem offered special scholarships for students from Tulane University in New Orleans, which had to cancel its fall semester due to storm damage.

Representatives of three key government bodies—the Ministry of Foreign Affairs, the Finance Ministry, and the Prime Minister’s Office—met on October 2 to discuss “rebranding” Israel’s image in the world, especially in the U.S. On the advice of public-relations professionals, they resolved to downplay discussion of the Israeli-Palestinian dispute, avoid religious debates, and concentrate on “the human element” of Israel. Observers expressed considerable skepticism about whether such a refurbished image could have credibility given Israel’s continuing security problems.

An estimated 200,000 people gathered in Tel Aviv’s Rabin Square on November 12 to observe the tenth anniversary of the assassination of Yitzhak Rabin at the place where the late prime minister was killed. Former U.S. president Bill Clinton, who was there with his wife, Sen. Hillary Clinton, and their daughter, Chelsea, spoke movingly to the assembly about his attachment to Rabin. “I loved him very much, and I was in awe of his ability to move from being a soldier to being a peacemaker, a politician and a statesman,” said Clinton, who closed his speech with the
same words he used at Rabin’s graveside a decade earlier, “Shalom Haver.” The event had been moved back a week from the originally scheduled November 5 so that Clinton could be in Israel both for the memorial and for a dinner in Jerusalem inaugurating the Saban Center for Middle East Policy, a division of the Washington-based Brookings Institution.

Justice Minister Tzipi Livni, who represented the government at the Rabin commemoration, noted that the event was nonpartisan, saying, “I see the signs and the slogans, but this is not a political rally.” Eitan Haber, Rabin’s longtime aide and confidant, echoed the same theme: “Tears have no political color, they are all equally salty,” he noted. What made the expression of such sentiments necessary was the ongoing vilification of Rabin’s legacy in some circles. On April 3, for example, unknown vandals had spray-painted “murderous dogs” on the tombstones of Leah and Yitzhak Rabin, and attempted to erase the names from the stones.

Sports

Maccabi Tel Aviv won the championship of the Euroleague, Europe’s most prestigious basketball tournament, for the second consecutive year, its third championship in four seasons. In the final, held before a sellout crowd of 13,300 at Moscow’s Olympiysky Arena on May 8, Maccabi defeated Tau Vittoria of Spain 90-78. Later in the year one of Maccabi’s top foreign players, Lithuanian point guard Sarunas Jasikevicius, signed with the Indiana Pacers of the National Basketball Association. Jasikevicius maintained his contact with Israel via his fiancée, Linor Abergil, a former Miss World.

Israel’s national soccer team just failed to qualify for the World Cup finals, to be held in 2006 in Germany. The Israeli team finished a close third in qualifying Group 4 of the tough European Zone, just behind former world champion France, which finished first, and a strong Swiss team, and ahead of the formidable Irish Republic. Remarkably, the Israelis were undefeated in ten qualifying games, losing out to the Swiss for second place only on goal difference.

Israel hosted some 7,000 athletes from 55 countries who took part in the 17th Maccabiah Games, the “Jewish Olympics,” in July. The slogan of the opening ceremony was an encouragement of aliyah, “Next Time Enjoy a Home-Court Advantage.” Events scheduled for Sderot, near the Gaza Strip, were relocated due to Palestinian mortar and Qassam rocket attacks on the town. The closing ceremonies of the games took place under very tight security.
**Personalia**

**APPOINTMENTS**

Dan Halutz officially became the Israel Defense Force’s 18th chief of staff in a ceremony at the prime minister’s office on June 1. Halutz, born in 1948, was the first former air force commander to hold the top post. Taking office, he referred to his first major task, commanding the disengagement and evacuation of Jewish settlements in Gaza and the northern West Bank. “The country is about to embark on a significant plan with regard to its future—the disengagement plan. The decisions reached by the government and the Knesset will be carried out with the utmost sensitivity but with the required resolve,” Halutz said.

At the ceremony, Defense Minister Shaul Mofaz—who, in an unprecedented decision, had not extended the term of Halutz's predecessor, Lt. Gen. Moshe (Bogie) Ya’alon, for a customary extra year—paid tribute nevertheless to the outgoing chief of staff. “Bogie, even if we did not see everything eye-to-eye, it does not diminish my gratitude to you for your service and contribution to the security of the State of Israel. I wish you all the best,” he said.

Israel’s ambassador to the UN, Dan Gillerman, was unanimously elected on June 13 as a vice president of the General Assembly—a post held only once before by an Israeli, the late Abba Eban, in the early 1950s. Gillerman was the candidate of the Western nations, a bloc of some 30 states that included members of the EU, Canada, Australia, and the U.S. The post entailed presiding over General Assembly discussions in the president’s absence and membership on the committee that decided the daily agenda. “This is an important and historical moment for the State of Israel, both in essence and in timing,” commented Gillerman.

The Knesset elected Micha Lindenstrauss, a judge of the Haifa District Court, as state comptroller on May 25, succeeding Eliezer Goldberg, another former judge. The Berlin-born Lindenstrauss was the only candidate for the seven-year term; all of his potential rivals conditioned their interest in the job on not facing competition.

Yuval Diskin was named the new head of the Shin Bet internal security agency by Prime Minister Sharon in mid-February. He took office in May, upon the conclusion of the term of Avi Dichter, the outgoing head. Diskin was said to have been the driving force behind the policy of “preemptive strikes” against terrorists.

Oscar Abu Razek, a civil servant and the highest-ranking Arab in the
government bureaucracy, was appointed director general of the Interior Ministry by Interior Minister Ophir Pines-Paz on March 16. Abu Razek, a resident of Jaffa, was the first Israeli Arab ever to head a government ministry. He had previously been deputy director of the Tax Authority, lectured on taxation at a local college, and was a government-appointed director of several public companies.

**Honors and Awards**

Prof. Robert Aumann of the Hebrew University of Jerusalem accepted the Nobel Prize for Economics in Stockholm on December 10, together with Thomas Schilling of the U.S. Aumann, who won the prize for his work in game theory, brought his entire family—including a total of 35 children, grandchildren, and great-grandchildren—to the Swedish capital for the award ceremony. The year before, two professors from the Technion in Haifa, Aharon Ciechanover and Avraham Hershko, won the chemistry prize, and Prof. Daniel Kahneman of Princeton, an Israeli, shared the economics prize.

The Israel Prizes were awarded, as usual, in a ceremony on the night of Independence Day in Jerusalem. The laureates: Rabbi Yisrael Meir Lau, former Ashkenazi chief rabbi and current chief rabbi of Tel Aviv; choreographer-dancer Ohad Naharin; Shabtai Tevet, the author of an epic biography of David Ben-Gurion; poet Yisrael Pinkas; author Yitzhak Auerbach Orpaz; Alex Libak, longtime photographer for *Ha'aretz*; Prof. (emeritus) Jacob David Bekenstein, Hebrew University researcher into gravity and its effects on various scientific fields; Prof. Shaul Feldman, a Hebrew University expert on neurophysiology and neuroendocrinology; Prof. (emerita) Rina Zaizov Marcus, Tel Aviv University cancer specialist and researcher; Prof. Miriam Erez of the Haifa Technion’s Faculty of Industrial Engineering and Management; Prof. (emerita) Olga Kapeliuk of the Hebrew University, a linguist who specialized in Ethiopian languages and modern Aramaic dialects; Prof. Yehezkel Dror, Hebrew University expert in public administration; Prof. Sasson Somekh of Tel Aviv University, a leading researcher of modern Arabic literature; Prof. (emeritus) Jacob Landau, Hebrew University expert in modern Middle Eastern history; Prof. (emeritus) Aharon Dotan, founder and director of Tel Aviv University's Cymbalista Synagogue and Jewish Heritage Center; Prof. (emeritus) Ben-Ami Scharfstein, Brooklyn-born Tel Aviv University philosopher; and the Tel Aviv Cameri Theater.

The annual Wolf Prizes went to architect Jean Nouvel of Paris; atomic
physicist Daniel Kleppner of the Massachusetts Institute of Technology; medical researcher Anthony Hunter of the Salk Institute of La Jolla, California; mathematician Gregory Margulis of Yale University; and Richard Zare of Stanford University, a pioneer in the use of lasers to identify complex molecular mechanisms. Dr. Oded Regev of Tel Aviv University won the Krill Prize for exceptional young scientists.

The annual EMET Prizes for academic and professional achievements with far-reaching influence and significant contribution to society were sponsored by the AMN Foundation for the Advancement of Science, Art and Culture in Israel, under the auspices of the Prime Minister's Office. The 2005 honorees were: actress Orna Porat and theater director Michael Gurevitch, arts and culture; Prof. Meir Wilchek, exact sciences; Prof. Zehev Tadmor, engineering chemistry; Prof. Yosef Shiloh, cancer research; Prof. Zvi Selinger, cell and molecular biology; Prof. S. N. Eisenstadt, sociology; Profs. Amos Kloner and Efraim Stern, archaeology; Prof. Benjamin Harshav, literary research; and Prof. R. J. Zvi Werblowsky, religion.

Columbia University's Louis Horowitz Prize was awarded to Prof. Ada Yonath of the Weizmann Institute, a pioneer in crystallography best known for her studies of the ribosome. The Institute of International Education's inaugural Victor J. Goldberg Prize for Peace in the Middle East went to Profs. Dan Bar-On of Ben-Gurion University in Beersheba and Sami Adwan of Bethlehem University for their work as cochairs of PRIME, the Peace Research Institute in the Middle East. A team of engineers and developers from Ness Technologies and El-Op, a division of Elbit Systems, received the Israel Defense Prize for an undisclosed contribution to Israel's defense. Tel Aviv University's Dan David Prize was awarded to TAU Prof. Israel Finkelstein and Prof. Graeme Barker of Great Britain, archaeology; British director Peter Brook, performing arts; Profs. Robert Langer and George Whitesides of the U.S. and Prof. C. N. R. Rao of India, material sciences.

Aharon Appelfeld, the 73-year-old Polish-born Israeli author, won two prestigious international awards. In November, Gérard Araud, the French ambassador, made him Commander in the Order of Arts and Letters of the French Republic in a ceremony at the French embassy in Tel Aviv. And in December, Appelfeld received the German Jewish community's biennial Nelly Sachs Prize at an event in Dortmund. The Charles Bronfman Prize was awarded to environmentalist Alon Tal, founder of Adam Teva V'Din, the Israel Union for Environmental Defense, and a researcher at Ben-Gurion University's Institute for Desert Studies. The
Richard M. Joel Staff Exemplar of Excellence Award, given by Hillel, the Jewish campus outreach organization, went to Ofer Namimi, Hillel director at Ben-Gurion University.

Israeli Hanna Lazlo won the award for best actress at the Cannes film festival for her role in *Free Zone*, directed by Amos Gitai. The prize for best documentary at the tenth annual Palm Beach Film Festival in Florida went to Israeli Dani Menkin's *39 Pounds of Love*. Jerusalem-born American actress Natalie Portman was nominated for an Academy Award for best supporting actress for her role in *Closer*. Her nomination was announced in early February, while she was enrolled as a part-time student at the Hebrew University of Jerusalem.

DEATHS

Former president Ezer Weizman, 81, died at his home in Caesarea on April 24. A founder of the Israeli Air Force who was often seen as the quintessential sabra, Weizman was known for his vivid personality, strong political views, and willingness to speak out about almost anything. After ending his military career as deputy chief of staff, he entered politics in the 1970s, running the election campaign that brought the Likud and Menachem Begin to power in 1977 and later serving as Begin's defense minister. An influential figure in the Camp David Agreements and the peace treaty with Egypt, Weizman left Likud and politics in the early 1980s, impatient over the pace of peace negotiations. He briefly went into business, but returned to politics as head of his own small party, and in 1992 was elected president with the backing of the Labor Party.

As president, Weizman took a more active role in politics than had his predecessors, often triggering controversy with his open criticism of government actions. Reelected to a second term in May 1998, Weizman was forced to resign from the presidency in July 2000 when it emerged that he had accepted $450,000 over the years from a friend. Charges were never pressed because the statute of limitations on the illegal contributions had expired. Rather than a grave on Mount Herzl, where most dead national leaders rest, Weizman chose to be buried in the cemetery at Or Akiva, next to Caesarea. At the graveside, Sharon, after paying tribute to Weizman's public accomplishments, added that there was "another Ezer, of the colony, the bottle of drink, the laughter, which created a special spirit in the air force."

Other noted Israelis who died during the year included: American-born Israeli deputy public defender David Weiner, 46, on January 1, of a self-
inflicted gunshot wound, leaving a note explaining the act as related to his legal involvement in defending jailed Yitzhak Zuziashvili, a prime suspect in the killing for hire of Tel Aviv District Court Judge Adi Azar in 2004 (see AJYB 2005, p. 278); author-satirist Ephraim Kishon, 80, a Hungarian immigrant who became internationally known, his books published in 37 languages, and who received the Israel Prize for life’s work (2002), on January 29 in Switzerland, buried in Israel; Dudu Geva, 54, illustrator, cartoonist, and comic-book artist, on February 15; Peter (Zvika) Malkin, 77, the legendary Mossad agent who physically took custody of Adolf Eichmann when the Nazi war criminal was kidnapped in Argentina in 1960, in New York, on February 28; Gary Bertini, 77, Moldava-born founder of the Israel Chamber Orchestra, musical and artistic director of the New Israeli Opera, conductor of orchestras in many countries, on March 18; Doron Grossman, 48, Israeli ambassador to Ethiopia, an apparent suicide in the Hilton Hotel in Addis Ababa, on April 3; songwriter Ehud Manor, 64, composer of over 1,200 songs, including such hits as B’shana Haba’ah and Ahanibi, winner of the 1978 Eurovision song contest, recipient of the Israel Prize for music (1998), on April 12; Batya Gur, 57, Jerusalem novelist and literary critic, known especially for her mysteries, on May 20; pediatric hematologist Rina Zazov Marcus, 73, a pioneer in the treatment of leukemia and other blood diseases, on June 1, three weeks after her niece accepted the 2005 Israel Prize for medicine on her behalf; and Jacob Pins, 88, noted German-born collector of Far Eastern art and woodcut artist, on December 4.

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