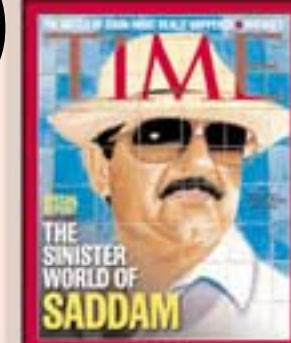


# TIME REPORTS

# Glencoe Social Studies CURRENT EVENTS UPDATE

FALL 2002



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**FOCUS  
ON THE  
MIDDLE EAST**

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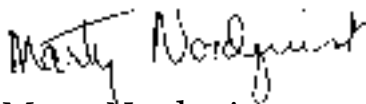
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Best wishes,





Marty Nordquist  
Editorial Director, Social Studies  
Glencoe/McGraw-Hill





Bennett Singer  
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# Current Events Update

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# The Saga of the Siege

The inside story of the standoff at the Church of the Nativity—and how the deal was struck to get the Palestinians out

By **MATT REES**/BETHLEHEM

**T**HE CHURCH OF THE NATIVITY, ONE OF THE world's oldest working churches, has never been an especially peaceful place. The holy men who run it—Greek Orthodox, Armenian Orthodox and Roman Catholic clerics—bicker over who gets to clean which piece of sacred wall and who can walk in which aisle. Seized and besieged by a host of armies over the centuries, the church has even inspired bickering among scholars, who argue about whether Jesus was born here at all.

But holy places still have special power. Muslims are specifically ensured the right to pray in the Church of the Nativity, a privilege dating back to A.D. 638. Two hundred forty gunmen and bystanders took refuge in the church but in time agreed to leave it. Israeli soldiers, swarming into Bethlehem in April as part of the campaign to crush the machinery of Palestinian terror, surrounded the church compound but did not storm it. The end of the siege, after long negotiations that nearly went off a cliff several times, brought relief to officials on both sides: to the Palestinians, who had feared a violent end, and to the Israelis, who were increasingly embarrassed by the presence of their troops around one of Christianity's most venerable shrines.

The church bells rang out at last on the morning of May 10, as the sun came up and the men left the church that had been their haven for five weeks. U.S. embassy officials later found more than 90 rifles and other guns left behind, and Israeli troops said they found 40 explosive devices. The 13 gunmen most wanted by Israel were flown to Cyprus, on their way into exile in Europe and possibly

Canada. Twenty-six others were handed over to Palestinian authorities in the Gaza Strip.

That outcome had taken weeks of negotiation. When Israeli and Palestinian authorities agreed to the deportations as a way to defuse the standoff, Israeli hard-liners and Palestinians of every stripe

**FROM INSIDE, A GUNMAN PHONED, ASKING, "IS IT TRUE AN AGREEMENT HAS BEEN REACHED?"**

complained that it was a sellout. But the situation had grown desperate. The city of Bethlehem had been in lockdown since April 2; food inside the church compound had virtually run out. Eight Palestinians had been

killed by Israeli gunfire, and an Armenian monk had been wounded by an Israeli sniper.

**HOW THE SIEGE BEGAN** For weeks Manger Square had been a refuge for Palestinians like Jihad Ja'ara, a top gunman from al Aqsa Martyrs Brigades. By day they lounged on cheap foam mattresses in the spring sunshine, believing this was one place the Israelis would not dare to strike. By night they sneaked out to the edges of town to shoot across the valley at Gilo, a suburb of Jerusalem built on occupied land. On April 2, Ja'ara and his gang clashed with the Israelis in the Fawaghreh neighborhood of Bethlehem's Old City. A bullet shattered Ja'ara's leg three inches below his knee. His comrades carried him to Manger Square. As Israeli soldiers converged, the gunmen, anticipating that the Israelis would not hesitate to enter the square this time, fled into the church with members of the Palestinian Authority's security forces, a group of Hamas gunmen and about 100 bystanders.

The Israelis knew they could not storm one of the holiest sites in all of Christianity. But there were dozens of accused terrorists inside, including Ibrahim Moussa Abayat, head of the Tanzim militia in Bethlehem, who was convicted of murdering

a fellow Palestinian by a Palestinian court two years ago but was released after a few weeks because his clan rioted. Israel blamed him for the June 2001 shooting death of Lieut. Colonel Yehuda Edri. They were not about to let him walk away.

**NEGOTIATIONS PICK UP** On May 2, when a similar siege at Palestinian leader Yasser Arafat's compound in Ramallah finally ended, negotiations over Bethlehem picked up. At a May 3 meeting in Ramallah, Arafat's Cabinet ministers questioned his willingness to accede to U.S. and British proposals that some of the men inside the church be deported. "What can I do? This is what the Americans want," Arafat complained. "I can't continue saying no to the Americans. You should show some understanding of my situation."

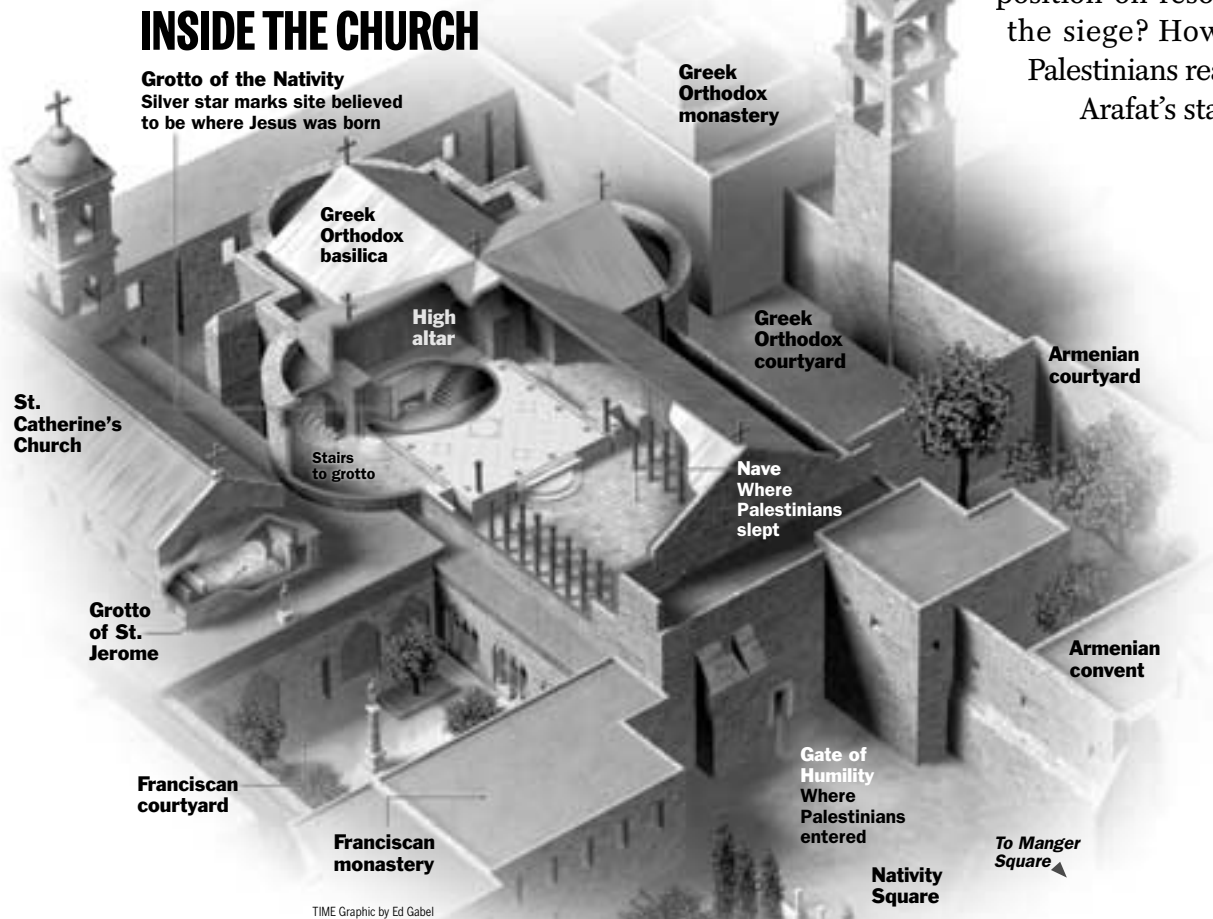
The basic framework of a deal was pounded out by May 7. One last wrinkle came from, of all places, a group of international "peace activists" who marched into the church the week before, claiming solidarity with the Palestinians inside.

"They wanted to be dragged out by Israeli soldiers on camera," says an official who helped negotiate a resolution to the siege.

The 13 men facing deportation were the first to leave the church. "They sacrificed themselves so the siege could end," says Mazin Hussain, 28, an officer in the Palestinian Authority's drug-prevention unit. And though the men were greeted as returning heroes, all the celebrations in Gaza could not disguise the fact that men most Palestinians consider fighters on their behalf had been sold out by Arafat. "After weeks and weeks of the siege, Arafat has basically given in to all the Israeli demands," charged Hosam Hillez, a 27-year-old Gazan. "So what was the point of dragging the whole thing out for so long?" As the monks began to clean up the squalid interior of the basilica, they were no doubt asking the same question. ■

**Questions**

1. When and why did the siege occur at the Church of the Nativity?
2. What was Arafat's position on resolving the siege? How did Palestinians react to Arafat's stance?



TIME Graphic by Ed Gabel

# Untangling Jenin's Tale

For both Israelis and Palestinians, a deadly battle in a West Bank refugee camp has become a potent symbol of their struggle

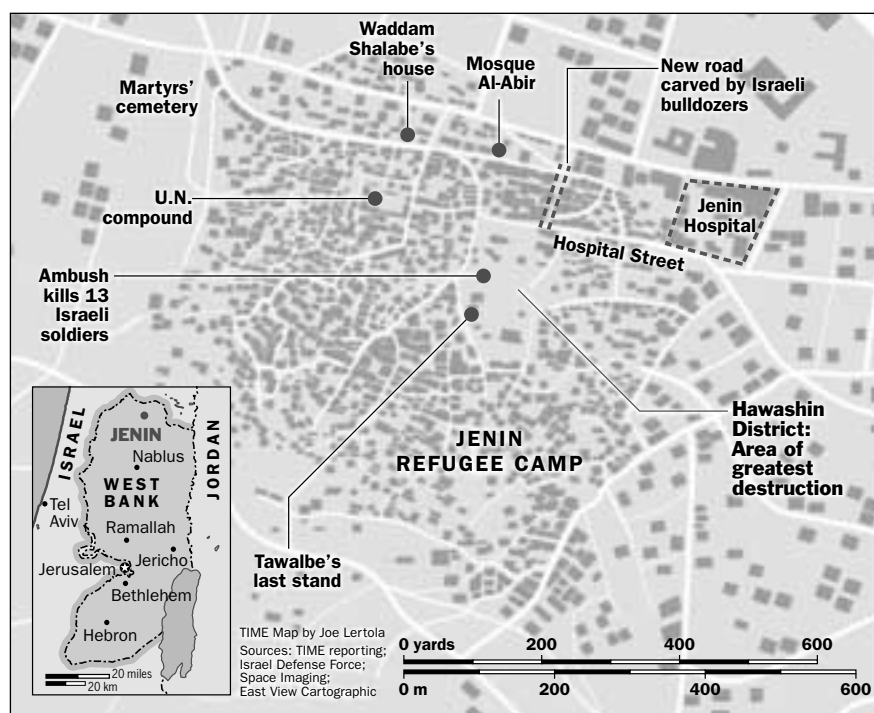
By **MATT REES**

**T**HE STREET IS A NEW ONE, CARVED BY A huge bulldozer out of what was once a narrow alley. It leads to a place where gunmen and tanks forged a new, terrifying chapter in the long wars of the Middle East. The alley was just three feet wide before the Israeli army sent its heavily armored Caterpillar D-9 down what is now a rutted track; as you walk along it, up a mild gradient toward Hospital Street, your feet raise little puffs of dust from the rubble of what were once concrete homes. The path is covered with the litter of war—broken sea-green ceramic tiles, a punctured cooking-gas cylinder, a thin foam mattress, a blond-haired baby doll. As you make your way into the camp, the snarl of traffic in the town and the calls of peddlers recede, and when you reach Hospital Street, all is silent. The Palestinians who live in Jenin Refugee Camp shuffle and gawk, still stunned by the battle that wrecked their houses four weeks ago.

There was a battle at the Jenin Refugee Camp. It was real urban warfare, as a modern, well-equipped army met an armed and prepared group of guerrilla fighters intimately familiar with the local terrain. For both sides, Jenin has been added to the memories that invest the conflict in the Middle East with extreme bitterness. Because Jenin has become so potent a symbol, a new battle has broken out over what precisely happened there and what its wider significance will be.

A TIME investigation concludes that there was no wanton massacre in Jenin, no deliberate slaughter of Palestinians by Israeli soldiers. But the 12 days of fighting took a severe toll on the camp. According to the U.N., 54 Palestinians are confirmed dead. An additional 49 are missing; it is unclear how many of them perished in the fighting and how many either fled or were captured by Israeli troops. In the final count, there may well be fewer dead in Jenin than the 78 killed in Nablus Casbah in a battle that took place at the same time. But it is Jenin that has attracted worldwide attention because of the widespread destruction of property and because some of those who died during the fighting were mere spectators.

Human Rights Watch, which in a published report last week also concluded that no massacre took place, nonetheless documented 22 civilian deaths and said the Israelis used excessive and indiscriminate force during the operation. TIME



found that as Israeli soldiers moved from house to house, they sometimes compelled Palestinian civilians to take the dangerous job of leading the approach to the buildings. On the other hand, a senior Palestinian military officer has admitted to TIME that some of those who died were killed by rubble from the exploding booby traps with which Palestinian fighters had honeycombed the camp.

But the accusations and their rebuttals do not capture the lessons of the battle. In Jenin the Israelis sent a message: there is no refuge, no haven, for those who send out human bombers to blow themselves and Israelis apart in restaurants and cafés. And the Palestinians sent their message in return: they can kill Israelis in Palestinian towns just as well as in Tel Aviv. Under the slabs of fallen masonry in Jenin is a new legend of martyrdom and heroism, one that will be used in years to come to stiffen the sinews of those who would fight against Israeli rule: a threat of armed force met by defiant resistance. Written in the twisted metal and crushed cinder block of Jenin is the new reality of an old conflict with no end in sight. This is how it happened:

**THE ISRAELIS PREPARE** In the last week of March, Major General Itzik Eitan, Israel's Chief of Central Command, submitted his plan to take over the Jenin Refugee Camp to Chief of Staff Lieutenant General Shaul Mofaz. Both men knew it would be one of the toughest missions of Israel's Defensive Shield operation, which began March 28 in Ramallah when the Israelis surrounded the compound of Palestinian leader Yasser Arafat. The Jenin camp, which is administered by the United Nations Relief and Works Agency, has existed since 1953; 13,055 registered refugees live in a square whose sides are about 600 yards long.

Even by the standards of Palestinian refugee camps, Jenin is gruesomely special. Since the start of the Aqsa *intifadeh* in September 2000, the camp's activists, drawn from the Aqsa Martyrs Brigades, Islamic Jihad and Hamas, have orchestrated at least 28 suicide attacks on Israeli targets. An internal document of Arafat's Fatah organization, written in September last year and captured by the Israelis during a recent sweep, characterized the camp's people as "ready for self-sacrifice with

**TIME/CNN POLL**

■ Do you think Israel has gone too far in its military response to attacks by Palestinians against Israeli soldiers and civilians in recent weeks, or don't you think it has gone too far?

**Gone too far.....46%**  
**Has not gone too far.....44%**

■ If Israel does not withdraw its troops immediately from the West Bank cities, do you think the U.S. should cut off all or some of its economic and military aid to Israel?

**Cut off all economic and military aid to Israel....27%**  
**Reduce economic and military aid to Israel.....33%**  
**Keep economic and military aid to Israel the same.....31%**  
**Increase economic and military aid to Israel.....1%**

From a telephone poll of 1,003 adult Americans taken for TIME/CNN on April 10-11 by Harris Interactive. Margin of error is ±3.1%. "Not sures" omitted.

all their means . . . It is not strange that Jenin has been termed the capital of suicide attackers."

The Israeli authorities knew all about Jenin, and they knew those in the camp they wanted to take out. Their top target was Mahmoud Tawalbe, a 23-year-old father of two who worked in a record store but also headed the local Islamic Jihad cell. Tawalbe had launched numerous attacks against Israelis, including a shooting last October that killed four Israeli women on the main street of Hadera, a town north of Tel Aviv. Last July, Tawalbe had dispatched his 19-year-old brother Murad on a suicide mission to Haifa. (Murad lost his nerve and surrendered to Israeli police.) Other top Islamic Jihad targets in Jenin included Thabet Mardawi, who was behind a March 20 suicide bomb that killed seven Israelis on a bus.

Eitan planned to send his troops in from three directions. The 5th Infantry Brigade would close in through the town of Jenin, which abuts the camp to the north. From the southeast and southwest would come two thrusts—1,000 troops in all. The force would include units of navy seals, tanks, engineers to handle the roadside bombs that military intelligence predicted would line the alleys of the camp, and heavily armored bulldozers to carve paths for tanks.

Eitan ruled out an air attack; he feared giving the Palestinians the public relations coup of mass civilian casualties. His assessment: the army could

take control of the camp in 48 to 72 hours. That turned out to be wildly optimistic.

On March 30, the 5th Brigade was mobilized. There was no problem of motivation; like most Israelis, the soldiers had been shocked by the suicide attack on a hotel in Netanya three days earlier, an atrocity that killed 28 Israelis sitting down for a Passover seder. The bomber had been sent by a Hamas cell based in Jenin. As the troops of the 5th Brigade arrived at their base in Ofer, north of Jerusalem, many wore civilian clothes, while some of those in uniform wore tennis shoes instead of boots. As they hauled their kit bags out of their cars, they could see hundreds of Palestinians who had been arrested during the Israeli sweep of Ramallah that began two days before.

The operations across the West Bank had stretched the Israeli army thin. By March 30, Israeli troops were already occupying Ramallah and Bethlehem. On Monday, April 1, they would go into Tulkarem and Qalqilya. The elite Paratroop Brigade was poised outside Nablus. The 5th Brigade, scheduled for Jenin, was made up of reservists mostly in their late 20s and early 30s, but the brass thought they could handle the tough assignment. "There were indications it was going to be hard," says Major General Dan Harel, the army's operations chief. "But we didn't think it was going to be so hard." The soldiers were supposed to head for Jenin on April 1, but rain and delays in shipping equipment forced Colonel Yedidia Yehuda, the brigade's commander, to wait until Tuesday, April 2. Around midnight, the Israeli tanks, which had massed west of the town, started to move in.

**INSIDE THE CAMP** The Palestinian fighters had made their own preparations. Booby traps had been laid in the streets of both the camp and the town, ready to be triggered if an Israeli foot or vehicle snagged a tripwire. Some of the bombs were huge—as much as 250 pounds of explosives, compared with the 25 pounds a typical suicide bomber uses. On Day 2 of the battle, when the town had been secured but the fight in the camp was just beginning, a huge Caterpillar D-9 bull-

dozer rolled along a three-quarter-mile stretch of the main street to clear booby traps. An Israeli engineering-corps officer logged 124 separate explosions set off by the vehicle. In the camp, the explosive charges were even more densely packed, and tunnels had been dug between houses so that Palestinian fighters could move around without exposing themselves on the street. Many noncombatants had fled; Israeli intelligence believes half the camp's residents had left before the troops arrived, and that by the third day of the battle 90% of the residents were gone. Even so, that left as many as 1,300 people inside the camp. According to leaders of Islamic Jihad interviewed

by TIME, around 100 of those left were armed fighters.

The battle took shape in the environment that soldiers like least, in and around pinched alleys and houses, with ample hiding places and sniper positions.

Inevitably, civilians were caught in the fray. Awad Masarweh, a 49-year-old laborer who works in Jenin's vegetable market, took shelter in his house on the edge of the camp near the U.N. Relief and Works Agency's school, on the side of the camp through which the 5th Brigade advanced. At the end of the first day, says Masarweh, there were 90 others in his home, which Palestinians deemed to be among the safest.

On April 17, more than two weeks after the battle began, Dr. Mohammed Abu Ghali, director of the Jenin Hospital, was allowed by Israeli soldiers to make his third foray into the camp to tend to victims. Abu Ghali saw the body of a man crushed by a bulldozer or tank track, his intestines spilling out. The doctor will remember Jenin. So will countless others, both Israeli and Palestinian. And in the Middle East, memory is the fuel that nourishes violence, revenge and unending hate. ■

#### Questions

1. Why did Israelis stage an attack on the Jenin Refugee Camp?
2. What were the results of this battle? What conclusions did TIME's investigation reach concerning charges of a massacre of Palestinians by Israelis?

**A TIME INVESTIGATION  
CONCLUDES THAT THERE  
WAS NO WANTON  
MASSACRE IN JENIN.**



# Why Suicide Bombing... Is Now All The Rage

Among Palestinians, dying to kill has become a noble calling. Here's how the practice went from extreme to mainstream

By **AMANDA RIPLEY**

IT HAS BEEN NINE YEARS—AGES, IT SEEMS—since the first suicide bomb in the history of the Israeli-Palestinian conflict ripped through the parking lot of a roadside West Bank café. On that day—April 16, 1993—Sahar Tamam Nabulsi, 22, filled a white Mitsubishi van with cooking-gas canisters, placed a copy of the Koran on the passenger seat and, acting on behalf of the militant group Hamas, barreled into two buses, killing himself and another Palestinian and wounding eight Israelis. Days later, the *Jerusalem Post* was still, almost quaintly, calling the attack an “apparent suicide,” noting that the investigation was ongoing.

These days, of course, there would be no such head scratching. But back then no one could imagine that 105 more suicide bombers would go on to claim 339 more lives.

The Palestinian suicide bomber has evolved since Nabulsi made his debut in the role. Today he is deadlier and requires less coercion. He used to be easy to describe: male, 17 to 22 years of age, unmarried, unformed, facing a bleak future, fanatically religious and thus susceptible to Islam's promise of a martyr's place in paradise, complete with the affections of heaven's black-eyed virgins. Today's bomber no longer fits the profile.

Today he is Izzadin Masri, the 23-year-old son of a prosperous restaurant owner, who killed himself and 15 people at a Jerusalem Sbarro pizzeria last August. He is Daoud Abu Sway, 47, a father of

eight not known to be unusually political or religious, who detonated a bomb outside a luxury hotel in Jerusalem in December, killing himself and injuring two others. He is even a she. Ayat Akhras, 18, was a straight-A student, just months away from graduation and then marriage. On March 29, she killed herself and two others outside a Jerusalem supermarket. Volunteers such as these are coming forward faster than militant leaders

can strap an explosive belt around their waist and send them off to kill and die.

Among Palestinians, it has become normal—noble, even—for promising men and women to slaughter themselves in pursuit of revenge and the dignity it is thought to bring. “What was once more of an individual decision by a small group is becoming much more mainstream,” says Jerrold Post,

an American psychiatrist who has studied suicide bombings in the West Bank. The suicide-homicides have come to be seen by most Palestinians as their last, best hope. In June a poll taken in the Gaza Strip found that 78% of the population approved of suicide bombings, considerably more than supported peace talks (60%).

These days Palestinians celebrate the suicides in newspaper announcements that read, perversely, like wedding invitations. “The Abdel Jawad and Assad families and their relatives inside the West Bank and in the Diaspora declare the martyrdom of their son, the martyr Ahmen Hafez Sa'adat,” reads a March 30 notice for the 22-year-old killer of four Israelis in a shooting attack. Palestinian

**“When an 18-year-old Palestinian girl is induced to blow herself up and in the process kills a 17-year-old Israeli girl, the future itself is dying.”**

**-PRESIDENT GEORGE W. BUSH**

children play a game called “Being a Martyr,” in which the “martyr” buries himself in a shallow grave. And the job of bomber comes with cash bonuses and health benefits for the surviving family. How else could the Palestinian boy or girl next door hope to be pictured on key chains and T shirts?

Once upon a time, in the years immediately following that first bombing in 1993, it was a challenge to recruit suicide bombers. Field leaders for Hamas and Islamic Jihad, the radical groups that until lately monopolized the bombings, would seek out promising young men from the mosques or the crowds of rioters at Israeli checkpoints. The leaders would then submit the candidates to intense spiritual indoctrination and terrorist training, watching for signs of doubt. Those who wavered would be quickly dropped.

Until recently most Palestinians believed they had alternatives to the kind of militancy practiced by Hamas. For years after the 1993 Oslo peace accord, which brought limited self-rule to the Palestinians and the prospect of an independent state, polls showed a strong majority of Palestinians supporting the peace process with Israel and only a minority endorsing suicide bombings. Thus, in their headhunting, the fundamentalists were limited to stalwart followers of their doctrine, which rejects any kind of peace with Israel. Even then, Hamas and Islamic Jihad had to persuade—some might say brainwash—young men into believing that the rewards of paradise outweighed those of life on earth.

But with the breakdown of the peace process in the summer of 2000 and the establishment of the latest *intifadeh* that September, the martyr wannabes started coming to Hamas—and they didn’t require persuading. “We don’t need to make a big effort, as we used to do in the past,” Abdel Aziz Rantisi, one of Hamas’ senior leaders, told TIME last week. The TV news does that work for them. “When you see the funerals, the killing of Palestinian civilians, the feelings inside the Palestinians become very strong,” he explained.

And not just among fundamentalists. Last

## SUICIDE BOMBERS

1993	13
1994	7
1995	8
1996	4
1997	4
1998	2
1999	0
2000	4
2001	36
2002	28*

\*As of April 5.  
Source: Israeli security services

December the mainstream Fatah movement of Palestinian leader Yasser Arafat, the nationalist group that forms the backbone of the Palestine Liberation Organization, entered the suicide-bombing business. Since then, the al-Aqsa Martyrs Brigades, a Fatah offshoot, has taken part in at least 10 such attacks, some of them in collaboration with Hamas or Islamic Jihad. The Brigades activists are generally not religious fanatics. “Within Palestinian society, in the past year, a very broad mechanism of social approval has been created that makes it possible for even less religious people to commit suicide,” says Ehud Sprinzak, a political scientist at the Interdisciplinary

Center in Herzliya, Israel. “There’s enormous despair. There’s no meaning to life.”

Officially, at least, members of al-Aqsa Martyrs Brigades part from the fundamentalists in their goals: they support the idea of a free Palestine living in peace beside Israel and say they want only to force Israel to allow that state to rise up. But for now, nationalists and fundamentalists are united in their strategy, which is to kill and maim as many Israelis as possible and to horrify and demoralize those who go unscathed.

After a bombing, the sponsoring organization usually distributes to the media a video documenting the bomber’s last, triumphant words. The organization pays for the funeral, which includes a tent outside the family’s home where neighbors can come to offer condolences and drink coffee. Hamas pays its bombers’ survivors a permanent pension of \$300 to \$600 a month in addition to bankrolling the family’s health care and the education of the bomber’s children. Iraqi President Saddam Hussein also funds a one-time \$25,000 payment for the families—increased from \$10,000 about six months ago in a show of solidarity. ■

### Questions

1. Why has the phenomenon of suicide bombing gone from extreme to mainstream?
2. What incentives are offered to suicide bombers?

# Better Late Than Never

After several false starts, George W. Bush commits himself—and the U.S.—to ending the bloodshed in the Middle East

By **MICHAEL DUFFY**/WASHINGTON

**C**ONSIDER THE SITUATION IN THE WHITE House Situation Room last Thursday morning: Israeli troops and armor had invaded almost every city in the West Bank and surrounded about 200 Palestinian fighters barricaded inside Bethlehem's sacred Church of the Nativity. Anti-American demonstrations in Cairo, Beirut, Amman and other Middle Eastern capitals were making it impossible for Washington's Arab allies to stay on the fence. Egypt cut some ties with Israel and warned the White House that the rest could be in jeopardy. Oil prices spiked to \$28 a barrel, and the stock market plunged. Anti-Semites vandalized synagogues in France and Belgium. American embassies cabled Washington that they might be the next targets. The situation, a senior White House official concedes, was "getting out of control."

Talk about grabbing George W. Bush's attention: the President finally saw that he had gone down the wrong road, and he pulled a quick U-turn. When he stepped up to the Rose Garden podium Thursday morning, Bush ended more than a year of stubborn disengagement from the Middle East peace process, sending Secretary of State Colin Powell to the region to seek a solution to the Israeli-Palestinian conflict. Bush's speech was tough and elegant. "The storms of violence cannot go on," he said. "Enough is enough."

The meetings that produced the speech were even more extraordinary. For several days, the most powerful people in the Administration had served as speechwriters. Bush, Powell, Vice President Dick Cheney, Defense Secretary Donald

Rumsfeld, National Security Adviser Condoleezza Rice and CIA Director George Tenet had all called or crowded into the Situation Room and worked on the speech line by line—a measure of how troubled and critical this moment really was. The team added a great deal of moral embroidery and made

sure that the speech demanded something from everyone. In the Rose Garden, Bush reached out to Yasser Arafat, endorsing Palestinian statehood and giving the leader another chance to stop the terrorists and make peace—but making it clear this chance would be his last. Bush pressed Israeli Prime Minister Ariel Sharon to pull his troops and tanks from the West Bank cities and insisted that Israel begin treating the

Palestinians with "compassion." Bush called on moderate Arab countries to stop wringing their hands and start helping the Palestinians build their new nation—but also warned Iraq, Iran and Syria not to undo the deal by supporting terror.

For the past 11 or so Presidents, it has been a truism that American leaders ignore the Middle East at their peril. Many Democrats and Republicans believe that Bush checked out of the story early in his presidency in part because he came to Washington with a reflexive desire to do the opposite of whatever his predecessor did. It is true that Bill Clinton had his hands deep in the Middle East mess from his first year in office until the final days of his presidency in a way that the Bush team found inappropriate and even dangerous, given that a taste for high-stakes summitry, in its view, led to dashed hopes and renewed violence.

Beyond that, Bush has been unlucky in his potential partners. Last year Israeli voters replaced Ehud Barak, who wanted peace, with

**“Peace requires a new and different Palestinian leadership, so that a Palestinian state can be born.”**

—PRESIDENT GEORGE W. BUSH, IN A SPEECH GIVEN JUNE 24, 2002



Sharon, who doesn't want it very badly. Bush may have figured early on that neither Arafat nor Sharon was likely to step into the role of peacemaker anytime soon, so why bother trying to convert either? And so Bush spent the first two-thirds of 2001 worrying less about foreign policy than domestic matters. When he did look overseas, first it was Russia and China that tested him. Then it was Osama bin Laden.

But the central obstacle to engagement in the re-

gion has been Bush's senior foreign-policy advisers, led by Cheney and Rumsfeld. They are staunchly pro-Israel and have shown little regard for the peace process in the past. Concentrated at the Pentagon but salted all around the White House, the hard-liners have regular access to Bush. They take a dim view of the land-for-peace swap on which every peace proposal has been based for more than a decade. Every time the Administration's moderates, led by Powell, pushed Bush for a serious peace initiative in 2001, Cheney and Rumsfeld fought them to a standstill. After a while, Powell stopped push-

ing. Following two trips to the region last year to try to quell the rising violence between Palestinians and Israelis, he gave up. "Colin got tired," says a veteran diplomat who knows all the players, "of going over there with nothing in his briefcase." ■

#### Questions

1. Why did Bush initially want to keep his distance from the Middle East?
2. What did Bush say must happen before the U.S. will recognize a Palestinian state?

## BUSH VS. ARAFAT

**D**OES PRESIDENT GEORGE W. BUSH HAVE A follow-up plan for actually removing Yasser Arafat from power? Apparently not. In his Middle East speech delivered June 24, the President urged the Palestinians to replace their current leaders (read Arafat) with ones "not compromised by terror." Once that occurs, he said, the U.S. will recognize a Palestinian state and pressure Israel to do likewise. But some Administration officials admit there's no blueprint for moving Arafat along. Concedes a White House aide: "Some of these tactical aspects we are still working out."

There certainly is no consensus within the President's top circle of advisers. Hard-liners like Vice President Dick Cheney and Defense Secretary Donald Rumsfeld wanted Bush to push for Arafat's

ouster. But Secretary of State Colin Powell has urged Bush to advocate political and economic reforms without demanding Arafat's removal. Powell, says a senior U.S. Middle East expert, suffered a "frustrating" defeat.

For now, Arafat remains popular among Palestinians. But there are some signs of discontent. Mohammed Dahlan, former head of security in Gaza, has been addressing crowds of as many as 2,000 in recent months. He talks of "mistakes of the *intifadeh*," according to Israeli intelligence, and is said to have backed a protest by Palestinian workers angry that the recent violence has cost them their jobs. Another potential challenger to Arafat is Mahmoud Abbas, also known as Abu Mazen, who is a founding member of Fatah, Arafat's political movement. "Abu Mazen is sick of Arafat," a senior Fatah official tells TIME. "He has lost hope of any progress." ■

TIME, JULY 8, 2002



# Leadership in the Middle East

**1.** The cartoons at right offer three perspectives on leadership in the Middle East, as personified by Israeli Prime Minister Ariel Sharon and Palestinian leader Yasser Arafat. How does each cartoonist portray Sharon and Arafat? What contrasts and similarities do you see among the three portrayals?

**2.** In the top cartoon, what point is the cartoonist making about Sharon's vision and Arafat's credibility? What visual clues help make this point? What evidence can you find in the articles on pages 2 through 11 to support or refute the cartoonist's argument? Cite specifics.

**3.** Describe the action taking place in the middle cartoon. What comment is the cartoonist making on the concept of exile?

**4.** How is Colin Powell portrayed in the bottom cartoon? In the article on page 10, Michael Duffy writes: "Following two trips to the region last year to try to quell the rising violence between Palestinians and Israelis, [Powell] gave up. 'Colin got tired,' says a veteran diplomat who knows all the players, 'of going over there with nothing in his briefcase.'" What does this statement mean?

**5.** In your view, are any of the three cartoonists taking sides on the Middle East conflict? If so, which side does each cartoonist support?



# Encountering the Taliban

A TIME correspondent tracks down unrepentant, hardcore forces who vow to keep fighting in their crusade against America

By MICHAEL WARE/KANDAHAR

GENERAL TOMMY FRANKS, COMMANDER OF the U.S. forces in Afghanistan, calls the recent assault on Taliban and al-Qaeda remnants in the Shah-i-Kot Valley an “unqualified and absolute success.” But he concedes that pockets of resistance remain and promises to go after them unceasingly. The British last week pledged to help, committing 1,700 troops to the effort. Who are these holdouts, and what are their aims? To find out, TIME embarked on a search for surviving Taliban fighters who refuse to yield. It required weeks of negotiation with Taliban commanders, who finally proffered an invitation to meet with two of them. “They will talk,” said an Afghan contact, “but not in Afghanistan.”

The journey begins in Kandahar on a rainy weekday morning. After a long drive, we reach a Pakistani checkpoint. The 4x4 is discarded for motorbikes, on which we travel along back paths across the border. Once we get inside Pakistan, a car picks up the travelers and cuts through the slow traffic of the border bazaar. It proceeds along a back road to the outskirts of town. “There are many Talibs here,” says a guide. “Everyone knows, but everyone protects them.”

The car stops at a green iron gate at an anonymous compound. A man called Mullah Palawan steps outside and beckons his guests inside. “You are welcome,” he says. In a long, high-ceilinged room where half a dozen men rest on cushions, he is joined by another man, who agrees to be identified only by his titles, Hajji Mullah Sahib, meaning, roughly, Honorable Mr. Cleric Sir.

These men are Taliban. Part of an unrepentant hard core, they are hunted in their own country and supposedly barred from Pakistan and denied access by the hundreds of troops who guard the border. Yet here they sit, sipping sweet green tea, untroubled, gregarious and masters of their domain. Mullah Palawan, who commanded an armored corps in Herat before his flight to Pakistan, has spent the

morning browsing through the bazaar. Hajji Mullah Sahib, once a Taliban ideologue, passed the time chatting at home. Both seem to go about their daily business without a care in this bustling gateway to Afghanistan.

Mullah Palawan is a large, jovial man. He tries to keep his face stern but breaks out in

cheeky smiles when he thinks no one is looking. Hajji Mullah Sahib is a drawn, rakish figure. Conversation stops when he enters the room. In the past, his religious scholarship lent authority to the Taliban. He and others like him from the regime’s theological vanguard preached the righteousness of Mullah Omar’s government, and thousands listened. They still do in the Pakistani *madrasah*, or religious school, where he teaches.

Hajji Mullah Sahib does not so much converse as lecture. Afghanistan’s woes, past and present, he argues, are the fault of malign interference by the Soviets and the Americans. Operation Enduring Freedom, he says, is a pretense for manipulating Afghan affairs. In a blink he dismisses the argument that the U.S.-led coalition aims only to eradicate al-Qaeda. “If the Arabs were terrorists, why didn’t America just catch them?” he asks, instead of launching all-out war?

The men in this room, and others who are regrouping in Afghanistan and Pakistan, boast that

**In its propaganda from the underground, the Taliban has subtly shifted tack, redrafting its cause from a religious to a nationalist one.**

they are preparing to pounce on the U.S. invaders, and that they have allies. “Our neighbors are also terrified of the United States, and they want to make trouble for America,” warns Hajji Mullah Sahib. “Now they are sending us money, guns and men.” On this score, he’s right. Iran has been sending supplies and munitions to disgruntled Afghan commanders who are not being paid by the new government. In Kandahar, the Taliban’s spiritual center, a government commander says disaffected elements of Pakistan’s Inter-Services Intelligence agency have been covertly assisting al-Qaeda and Taliban fugitives with logistics, escape and safe havens.

The anti-American forces, by various accounts, are also finding support from a coalition of disparate groups within Afghanistan. These include the Iranian-backed Hezb-i-Islami movement, which before the Taliban came to power was one of the most dangerous factions among the Afghan mujahedin, and Ittehad-i-Islami, which has a few thousand underfunded troops in southern Afghanistan. These groups once opposed the Taliban, but the old disputes have been sidelined in the face of a common enemy: America and its Afghan allies. Astad Abdul Halim, Ittehad-i-Islami’s Kandahar commander, blasts the province’s U.S.-backed governor, Gul Agha Sherzai. “If Sherzai continues the bad acts he is doing now,” he says, “there will be a time very soon when we will attack.”

The recent Shah-i-Kot offensive, far from deterring the opposition, has emboldened it. Ap-

plauded in the West as a victory for the international coalition, the operation has been celebrated by Kandahar Talibs as an American failure. “How many bodies are there?” asks a former Talib, mocking U.S. claims of a major victory and citing eyewitness accounts of only a few Taliban and al-Qaeda corpses. “With all their power, the Americans could not capture our fighters,” he says.

If anyone doubts the ardor of grass-roots support for the anti-American militancy in southern Afghanistan, Kandahar’s cemetery for al-Qaeda fighters bears unequivocal testimony. Hundreds of mourners have descended on the graveyard from as far away as Mazar-i-Sharif, Kabul and Uruzgan province. What began as daily homages have grown into all-night vigils. Men, women and children sleep by the graves. Devotees recite the Koran throughout the night. The ill and blind flock to the site seeking miracle cures, which many claim to receive. Men mumble, repeating scripture until they fall into a trance, swaying and convulsing, talking in tongues. “Do not speak English here,” says a Talib accompanying a TIME correspondent. “They will kill you the instant they know you are a foreigner. These people are so angry.”

In its propaganda from the underground, the Taliban has subtly shifted tack, redrafting its cause from a religious to a nationalist one. Hajji Mullah Sahib makes sure he hits the buttons. “Those working against America now are not Taliban,” he insists. “They are Afghan.” Kandahar’s bazaars reverberate with claims that former Taliban Defense Minister Mullah Obaidullah Akhund, who is thought to be in hiding, has issued a secret call to arms. True or not, the tale is meeting with approval in many quarters. “For the moment, we need food and more weapons, but we are willing to fight,” says a former Talib. “When America goes, we will take back Kandahar in three days.” ■

#### Questions

1. What does this article reveal about the status of the Taliban in April?
2. What allies are lending support to the Taliban? What are their shared goals?



# Inside Saddam's World

The U.S. likes to portray Iraq's regime as shaky. But TIME's reporting inside Iraq suggests Saddam isn't losing his grip

By **JOHANNA MCGEARY**/BAGHDAD

**T**HE MAD HATTER MIGHT FEEL AT HOME IN the Wonderland of Iraq. The day is already growing hot as lines of ramshackle buses jam the normally empty highway to Tikrit, the rural hometown of Saddam Hussein. It's April 28, Saddam's 65th birthday. Crowds of military men, sheiks in flowing robes and farmers in shabby pants spill onto the expansive parade ground Saddam has built for special occasions like this.

As the guest of honor arrives, groups of schoolgirls, including a unit clad in the black face masks of suicide-bomber trainees, perform dances dedicated to Saddam's "pulse of life." Then an interminable line of marchers files through, maybe 10,000 strong, singing "Happy year to you, President Saddam Hussein, who brought victory to us."

Trouble is, the man standing high above on that imposing podium is not Saddam Hussein. It's Ali Hassan al-Majid, the Saddam intimate foreigners have dubbed "Chemical Ali" for his role overseeing the 1988 poison-gas attacks that killed thousands of Iraqi Kurds.

Saddam is nowhere in sight for his Tikrit party or for any of the other parades and cake cuttings orchestrated across Iraq during the six-day birthday celebration. More than ever, he is an invisible ruler, his authority wielded from the shadows, where he hides from potential assassins. The birthday parties were intended to deliver a message to any Iraqi citizen feeling restive, to any foreign government contemplating his overthrow. The all-powerful puppet master can make his whole nation sing his praises as a blunt reminder: I am still here. It won't be easy to get rid of me.

The Bush Administration hopes the hollowness of that birthday scene is a symbol of the true state of the archenemy's regime: brittle and rotting from within, held together only by force and bribery. The White House has concluded that

**“He is a dangerous man, possessing the world's most dangerous weapons.”**

**-PRESIDENT GEORGE W. BUSH**

Saddam poses a clear and present danger that must be eliminated. "He is a dangerous man possessing the world's most dangerous weapons," President Bush has said. "It is incumbent upon freedom-loving nations

to hold him accountable, which is precisely what the United States of America will do."

Beyond Bush's advisers, objective monitors too are convinced that Saddam possesses hidden chemical and biological weapons and is working feverishly to build a still elusive nuclear bomb. He's a serial aggressor. September 11 probably opened Saddam's eyes to powerful and unorthodox methods of attack. Terrorists want weapons of mass destruction, and he has them. "The lesson of 9/11 for us," says a senior State Department official, "is you can't wait around."

As Bush repeatedly telegraphs his intention to finish Saddam, the Iraqi leader is not exactly sitting on his hands. "He's not so naive as to ignore the seriousness of this threat," says Wamidh Nadhmi, a Baghdad political scientist in contact with the regime. "He knows it would be very difficult for Bush to retreat from his declared intent."

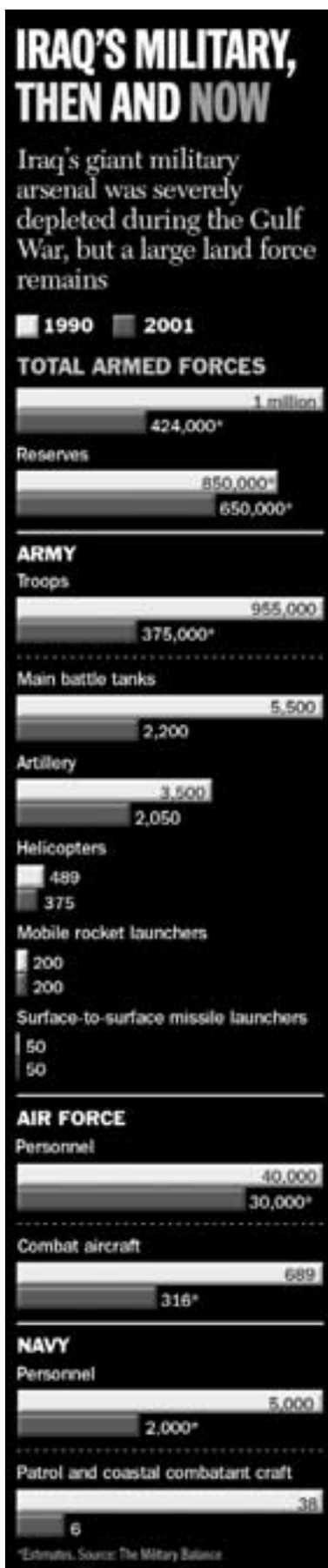
## SADDAM'S IRAQ

For Saddam, the Gulf War was not a defeat but a victory: though he was evicted from Kuwait, he remained in power. In the decade since the war, Saddam has endured strict economic sanctions and has evaded U.N. inspections designed to eliminate his weapons of mass destruction.

For years, Saddam ruthlessly milked the suffering of the Iraqi people to erode the global determination on maintaining the U.N. sanctions. Now he has shifted gears to meet a different objective: to keep those same long-suffering Iraqis from rebelling against him. So the taps have opened: more of the money from his legal oil sales and illicit oil smuggling, once reserved for the purpose of bribing regime loyalists, is now being spread around to the populace.

Saddam appears to be preparing for war. Officials of the Iraqi National Congress (I.N.C.), the London-based, U.S.-funded, main Iraqi-opposition group, and Kurdish intelligence sources say that for the past two months, government agencies have been conducting preparatory exercises, sending top officials to designated safe locations, for example, and protecting official archives. The sources claim that the commanders of the army have been reshuffled and that various military units have been moved around the country. The I.N.C. says its sources report that military factories are being dismantled so that key components can be hidden from bombing.

Like his hero Stalin, Saddam sees weapons of mass destruction as the great equalizers that give him the global position he craves. A nuke plus a long-range missile make you a world power. Deadly spores and poisonous gases make you a feared one. These are the crown jewels of his regime. He sacrificed the well-being of the Iraqi people and billions of dollars in oil revenues to keep the unconventional weapons he had before the Gulf War and to



engage in an open-ended process of acquiring new ones.

Of course, blatantly using weapons of mass destruction against his greatest enemies, the U.S. and Israel, would expose him to a nuclear reprisal that would almost surely end his rule. But if he could punish either country and survive, he might do it. He might also risk supplying terrorists with his deadliest weapons if he saw a way it might enhance his power.

Meanwhile, Saddam is working hard to undercut international support for a U.S. attack on him by deploying his diplomatic weapons. His offer of \$25,000 to the family of every suicide bomber and every Palestinian family made homeless by the Israeli assault on the Jenin Refugee Camp has won wide admiration at home and in the larger Arab world. He has burnished his reputation as the one Arab leader who says no to Washington and stands up against Israel.

While others would find the situation desperate, Saddam has always managed to make his way through. If the U.S. indeed attacks, his key strategy will be to weather the assault, hoping that the world will turn against the Americans before they succeed in taking him down. Until that day comes, if it comes, Saddam will rule on from the shadows that protect him from a lifetime's worth of enemies. For him, every birthday that passes is another glorious victory. ■

#### Questions

1. What does Saddam's birthday party in Tikrit reveal about Iraq?
2. How is Saddam seeking to undercut support for a U.S. attack on him?

# Will Milosevic Get His?

He refuses to accept it, but he is in the dock at last, accused of atrocities far worse than those of Osama bin Laden

By JOHANNA MCGEARY

**W**HEN CASE IT-02-54 FINALLY OPENS AT the International War Crimes Tribunal in the Hague this week, it will mark a moment many despaired would never come. The Serb strongman and former President of Yugoslavia who presided over a decade of mass murder and mayhem across the Balkans seemed untouchable for so long, and then became almost forgotten as the world's attention fixed on a new global villain. Yet Slobodan Milosevic will now have to sit each day in a well-lit U.N. courtroom, flanked by two guards, to answer to charges of crimes against humanity.

Normal trials follow a prescribed, orderly path. But no one knows what to expect in this one on the last great crimes of the 20th century—a test case for international justice, the first trial of a head of state. The prosecution must convict Milosevic not just in the eyes of three sitting judges but in the court of world opinion. Yet never has the Hague tried a defendant so uncooperative. Milosevic seems determined to make the proceedings a spectacle of courtroom subversion, refusing to recognize the tribunal, refusing to enter a plea, refusing to select defense lawyers, refusing even to wear headphones to hear the proceedings in Serbian.

In every pretrial appearance, Milosevic has responded with political diatribes. He has labeled the charges against him “absurd” and “monstrous,” the prosecutor a NATO mouthpiece, the court a “retarded 7-year-old.” He has called himself a peacemaker who is on trial to cover up NATO aggression against a sovereign country. The rants have led the presiding judge, Richard May, to cut off Milosevic's microphone. Milosevic has dropped hints that he might stage a grand scene by calling a parade of Western leaders to testify, starting with

former President Bill Clinton and British Prime Minister Tony Blair. It will be up to the three judges, who also constitute the jury—Britain's brisk, outspoken May, Jamaica's scholarly Patrick Robinson and South Korea's quiet O-Gon Kwon—to make sure the whole thing doesn't descend into farce.

## THE CHARGES

It's worth remembering that for all his destructive desires, Osama bin Laden hasn't accomplished crimes anywhere near as dastardly as those of which Milosevic is accused. From Sept. 21, 1991, when Serb paramilitary shot 11 Croat civilians in Dalj and buried their bodies in a mass grave, to May 25, 1999, when, during the forced evacuation of the Kosovo village of Dubrava, Serb forces killed eight ethnic Albanians, the former President is charged with responsibility for crimes that resulted in the deaths of 300,000 non-Serbs and the expulsion of millions from their homelands.

In the legal terms of the three indictments, that adds up to 66 counts of genocide, crimes against humanity, violations of the rules of war and grave breaches of the Geneva Convention during the decade of wars in Croatia, Bosnia and Kosovo. The 159 pages of charges catalog a shattering litany of persecution, extermination, murder, torture, inhumane acts, wanton destruction, deportation and forcible transfer. The indictments accuse

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**THE TRIBUNAL** Established by a U.N. Security Council vote in 1993, this is the first international body for the prosecution of war crimes since World War II

■ All U.N. members are obliged to cooperate fully. There is no trial in absentia and no death penalty. Maximum sentence is life in prison.

■ So far, 44 indicted suspects are in detention at the Hague; 30 are still at large. Trials have produced 26 guilty verdicts and 5 acquittals.

Milosevic of orchestrating a “joint criminal enterprise” to cleanse non-Serbs from vast swaths of territory to leave an ethnically pure nation.

There is only one formal count of genocide—in Bosnia: it’s the gravest offense on the war-crimes books but the hardest to prove. Prosecutors must show that Milosevic knowingly intended to wipe out ethnic or religious groups—Bosnia’s Croats and Muslims. “Unless you’ve got an accused saying, ‘Yes, I had the intent, and I had the ability to do it,’” says deputy prosecutor Graham Blewitt, “you can only submit evidence that will enable the judges to infer that’s what was in the accused’s mind.” Most of the charges fit under the less demanding “crimes against humanity” statutes. The maximum sentence is the same for all the charges: life in prison.

Originally, the jurists in Trial Chamber III wanted to try Milosevic first on the Kosovo campaign and later for Bosnia and Croatia. But an appeals court two weeks ago accepted chief prosecutor Carla Del Ponte’s argument that all three were part of “one strategy, one scheme” and that witnesses, once revealed, might be intimidated not to appear again. So there will be one trial, expected to conclude within two years.

## THE PROSECUTORS’ STRATEGY

Years of investigation have turned up hundreds of witnesses and loads of exhibits that go far beyond circumstantial constructs. Investigators were able to fish for more after Milosevic’s regime fell in October 2000 and the new government let them inside Yugoslavia for the first time. Though the

investigators complain they got more obstruction than cooperation, no one could cover up one incriminating new find: the bodies of Kosovo Albanian victims listed in one indictment were unearthed in mass graves near Belgrade last year.

The prosecuting team also has the Swiss-born Del Ponte, who is one tough lawyer. The Cosa Nostra mobsters whom Del Ponte, as Switzerland’s attorney general, pursued on money-laundering charges tried to blow her up; the banker gnomes in Zurich whose secrecy she penetrated trembled before her.

The trick is to prove the leader of a nation is the intellectual author of crimes even if he did not literally have blood on his hands. The testimony from some 50 victims is likely to be compelling. But the most damning words may well come from the “insiders”: an estimated 20 high-level political and security bosses with firsthand knowledge of what Milosevic said and did. What Del Ponte needs to prove is Milosevic’s “superior authority”: that he exercised control over the perpetrators of atrocities, knew or had reason to know crimes were being committed and did nothing to stop them.

## THE DEFENSE’S STRATEGY

If past appearances offer any clue, Milosevic will claim he was just defending his country, just fighting terrorists like the U.S. is now, just suffering from NATO aggression. If the Serb leader presents no legal defense, prosecutors believe they can make a swift case for conviction that is able to withstand appeal. But that would present its own

problem. “It will be difficult to explain the lack of adversarial picture that people expect in court,” says Dicker. “For that reason, it poses a real challenge to the judges: that the trial be fair to Mr. Milosevic and be seen as being fair.” For the credibility of the tribunal, that is key. More than anything, the trial and its verdict need to convince the world’s victims and villains alike that in the end, justice can be done.

### Questions

1. Of what crimes is Milosevic accused?
2. How has he responded to these charges?



# Our New Best Friend?

George Bush heads to Moscow to complete an arms deal. The inside story of how he decided Vladimir Putin was his kind of guy

By **JAMES CARNEY**/WASHINGTON

**E**ARLY IN HIS PRESIDENTIAL CAMPAIGN, George W. Bush was on a four-mile run with a reporter when he began ruminating on the nature of Vladimir Putin, the former KGB lieutenant colonel who had become Russia's President. "Anyone who tells you they've figured Putin out," Bush said, "is just blowing smoke." Months later, on the eve of Bush's inauguration, his soon-to-be National Security Adviser, Condoleezza Rice, predicted a gloomy future for U.S.-Russian relations. "There are a lot of bad things happening in Russia now," she said. "We don't have any reason to trust Putin."

So much for history. This week, as Bush and Rice escape the din of post-September 11 questions and recriminations and arrive in Moscow for what will be his first-ever visit to Russia, the President will hail the leader he once viewed with so much suspicion as a trusted friend—and Russia as a close American ally. He and Putin will sign a treaty committing both nations to slash their strategic nuclear arsenals from 6,000 warheads to a maximum of 2,200. Then the Russian President will give his American buddy a tour of St. Petersburg, Putin's hometown. The following week they will be together again, this time in Rome, where they are expected to sign an agreement giving Russia a kind of junior partnership in NATO, the cold war military alliance created to confront the Soviet threat. Rice, who shares her boss's newfound optimism about Russia and its leader, fairly gushes when she describes the transformation. "To see the kind of relationship that Presidents Bush and Putin have developed and to see Russia firmly anchored in the West," she told *TIME* last week, "that's really a dream of 300 years, not just of the post-cold war era."

That dream, if it comes true, holds great promise for both countries. Warmer ties have already given the Bush Administration more freedom to pursue missile defense, a partner in its war on terrorism and the possibility that Russia will go along with Bush's plan to try to topple Saddam Hussein. Washington also hopes that Russia, which produces 10% of the world's oil, can help ease U.S. dependence on Middle East supplies. Russia in turn has won not only closer ties to NATO but also tacit acceptance of its war on the rebel Chechen republic and the promise of greater economic integration with the West. Disputes remain between Moscow and Washington—chief among them, Russia's alleged aid to Iran's nuclear-weapons program—but relations are better now than at almost any other time since World War II.

## WHAT DO WE WANT FROM THEM?

**OIL** Russia produces 10% of the world's oil, and its reserves could help reduce U.S. dependence on the Middle East.

**IRAQ** The Soviets tacitly backed the U.S. in the 1991 Gulf War. Now Bush wants Putin's blessing on efforts to topple Saddam Hussein.

**TERRORISM** Washington hopes to build on Moscow's help with the war in Afghanistan. Russia provided intelligence and acquiesced to U.S. troops in its backyard.

## WHAT DO THEY WANT FROM US?

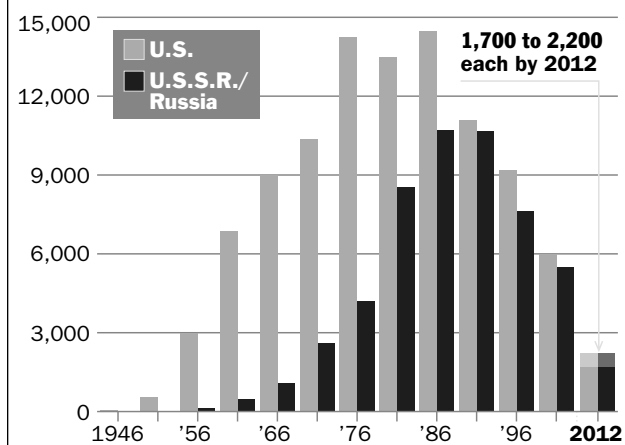
**NATO** Cooperation with the Western alliance brings acceptance in other international groups. Long-term possibility: full NATO membership.

**CHECHNYA** Moscow sees its struggle to suppress the secessionists as part of the war on terrorism and wants that view legitimized by Washington.

**INVESTMENT** To save Russia's economy, Putin believes he must integrate with the Western world.

## COMPARING NUCLEAR ARSENALS

### Deployed and strategic U.S. and Russian warheads



Note: By 1951 the Soviet Union had a handful of nuclear weapons but lacked delivery vehicles such as intercontinental ballistic missiles  
Sources: Natural Resources Defense Council, Arms Control Association

That would not be so surprising if foreign-policy experts in the U.S. and Europe had not been warning as recently as a year ago that Bush's policies were destined to provoke another arms race and launch a new cold war. When Bush began his campaign in 1999, his views on Russia were drawn mainly from Rice, a Sovietologist who worked in his father's White House and who served as the Texas Governor's foreign-policy tutor. Bush shared Rice's pessimism about Russia's progress in the 1990s and echoed her critique of Bill Clinton's overly "romantic" image of Boris Yeltsin as the embodiment of democratic reform. Rice even suggested in 1999 that U.S. policy should seek to "contain" and "quarantine" Russia.

Bush's advisers say the key to his attitude adjustment regarding Putin was the two leaders' first encounter, in Ljubljana, Slovenia, last June; Bush decided within two hours of meeting him that Putin was a man he could trust. Bush's remarks—"I looked the man in the eye," he said, and "I was able to get a sense of his soul"—elicited snickers from journalists and grimaces from his advisers.

Bush's effusions notwithstanding, the lovefest in Ljubljana was more a product of strategy than chemistry. At a White House briefing with outside experts before the summit, Bush telegraphed an intense desire for his first encounter with Putin to go smoothly. In the first few months after taking office, Bush was under constant assault by European

allies for his unilateralist foreign policy, including his snubbing of Moscow. Among the signs of disrespect: the ouster from the U.S. of 50 alleged Russian diplomat-spies in March 2001, the five-month delay before setting a first Bush-Putin meeting, and the threat, since carried out, to withdraw unilaterally from the 1972 U.S.-Soviet Anti-ballistic Missile Treaty in order to build a national missile-defense system. Some veterans of the senior Bush's Administration lectured the President and his advisers that Russia still mattered and should not be ignored. By June, says a current adviser, "it was beginning to sink in."

Putin had his own agenda. Not long after he took over from Yeltsin in late 1999, the new Russian President began making overtures to the West, first to Blair and then to NATO. Faced with an economic crisis, Putin believed he had no choice but to speed Russia's integration into the world economy. To succeed, he would have to win over the leader of the world's only "hyperpower," as the U.S. is sometimes called in Russia. Before Ljubljana, says a former aide, Putin "devoured an enormous amount of information on Bush and everything related to him." He knew that Bush put great stock in his ability to judge people face to face and that charming Bush would pay diplomatic dividends. Like the former spy he is, Putin set out for Slovenia determined, it seems, to play the character his mission required.

Another thing Putin wanted—America's acquiescence to his military campaign in Chechnya—in many ways has already been received. Because of Rice's conviction that U.S.-Russian relations should focus on strategic issues instead of internal affairs, the Administration downgraded Chechnya as a point of contention. "Putin wants us to legitimate what he's doing in Chechnya, to equate it with the war on terrorism," says another colleague from Rice's days at Stanford. "He wants Bush to come to Moscow and say, 'We're in this war together.'" ■

#### Questions

1. What is Bush's view of Vladimir Putin? What is the basis for this view?
2. What changes in U.S.-Russian relations have come about in recent months?

# War Clouds in Kashmir

As tensions rise between India and Pakistan, the subcontinent regains its status as “the most dangerous place on earth”

By **ALEX PERRY**/SRINAGAR

**S**OMETIMES IT SEEMS NOBODY WANTS PEACE in Kashmir. When two masked gunmen dressed in Indian police uniforms gunned down Abdul Gani Lone at a rally in the leafy summer capital of Srinagar last week, the list of suspects was notable for including almost everyone. Some naturally pointed the finger at India and its secret service: for decades Lone had staunchly opposed Indian rule in Kashmir. But the 70-year-old former lawyer had modified his stance in the past two years, and that had survivors, including Lone's son Sajjad, pinning the assassination on Pakistan, its powerful intelligence agency the Inter-Services Intelligence (ISI), and Kashmir's Islamic guerrillas. Sajjad, who succeeds his father in Kashmir's most powerful separatist alliance, even wondered whether his father's allies were involved. Lone had been evolving into that Kashmiri rarity: a man pushing for peace. Nearly everyone agrees that's why he died.

And with his death, the clouds of war grew immediately darker. Last week in India and Pakistan—and most concentratedly in Kashmir—the talk was not of whether there will be conflict, but when and what form it will take. Since 1947 the South Asian neighbors have squabbled over the lush Himalayan foothills; and since 1989 more than 35,000 people have lost their lives in a separatist rebellion, partly fueled by Pakistan. Lone's death followed a militant attack at an army camp in Jammu the week before that left 31 dead, and India declared it had lost patience with Pakistan's “cross-border terrorism.” Prime Minister Atal Behari Vajpayee told some of the 750,000 Indian

troops massed with heavy artillery and short-range ballistic missiles all along the western front to prepare for a “decisive battle.” He used the same alarming phrase a day later before the civilian press. Vajpayee ordered thousands more jawans, or soldiers, to the 3,000-kilometer-long

**In India and Pakistan, the talk is not of whether there will be conflict, but when and what form it will take.**

border with Pakistan and moved five warships to the Arabian Sea. Pakistan responded by pulling 4,000 men out of peacekeeping duties in Sierra Leone and stationing them along its eastern frontier. It is considering withdrawing thousands more of its soldiers from the coalition hunt for al-Qaeda fugitives on the Afghanistan border. On Saturday, it performed a provocative test of a medium-range Ghauri missile. With mutual nuclear annihilation as the ultimate escalation, the subcontinent once again regained its status, in Bill Clinton's phrase, as “the most dangerous place on earth.”

Kashmir is the locus of that terrible peril because, for most of the players, continuing conflict works. It works for the militants, who have found an escape from grinding poverty in the gun and the cash and prestige it attracts. That's true of both the indigenous Kashmiri militants and the “guest mujahedin” who come in from Pakistan, veterans of ISI-run training camps in Pakistan-controlled Kashmir and former Taliban-ruled territory in Afghanistan, who subscribe to the same ideal of waging a purifying jihad.

Trouble in Kashmir also works for Pakistan. While President Pervez Musharraf publicly denounces militant incursions from his side of the border, it would be political suicide for him to denounce their aims. Nor does the Pakistani President's rhetoric blind anyone to the memory that





# The Kashmir Conflict: Analyzing Two Sides of a Controversy

“War Clouds in Kashmir” on pages 21 and 22 describes the escalating tensions in the disputed region of Kashmir. How evenly is military force distributed in this region? And in what ways does ongoing conflict actually benefit both India and Pakistan? Deepen your understanding of the Kashmir conflict by using facts from the article and accompanying map to fill in the spaces in the chart below. Then answer the questions at the bottom of this page.

ISSUE	INDIA	PAKISTAN
According to the map on page 22, how many troops does each country have in Kashmir?		
What steps has each nation taken to prepare for war?		
The writer states that “continuing conflict works” for both sides in the Kashmir conflict. In what specific ways does conflict benefit each nation?		

**FOR DISCUSSION OR WRITING**

1. Review the notes you made in the chart above. In your view, is one nation at an advantage over the other in the Kashmir conflict? Why or why not?
2. What predictions can you make about events likely to occur in Kashmir? Explain the basis for each prediction.
3. What role do you think the U.S. should play in this controversy?

# Time For Hardball?

President Bush fears that Japan's economy, weakened by a decade of decline, could pull the rest of the world down too

By **FRANK GIBNEY JR.**

**W**HEN JUNICHIRO KOIZUMI WAS INVITED to Camp David one day last June, the Japanese Prime Minister brought along his baseball glove, and the two ball-playing leaders of the world's most powerful economies had a mutually admiring game of catch by the pool. This week, as George W. Bush flies to Tokyo, the first stop in a one-week Asian tour that includes Beijing and Seoul, he has to be wondering if it's time to play hardball. Despite his bold promises of reform when he took office 10 months ago, Koizumi has accomplished little. Japan's decade-long economic slide is only picking up speed, and Bush Administration officials are concerned that further inaction in Tokyo may trigger an economic crisis with global reverberations.

Yes, we've heard tales of Japan's looming economic Armageddon before. But Washington is worried that the fallout from Japan's malaise could hamper a U.S. recovery. Worse, there's no quick-fix option. The world's second-largest economy, Japan labors under the globe's highest level of public debt—140% of GDP. Across the nation, bankruptcies and unemployment are soaring. Practically everything else—stock values, consumer prices, confidence—is in free fall. The biggest crisis of all is the yen. With the Bank of Japan printing money to offset a liquidity crisis, the currency is sliding fast. It hit 134 to the dollar last week, a 15% decline since a year ago. The decline has prompted cries of foul from U.S. manufacturers over the competitive edge a weak currency gives Japanese products.

**Japan's decade-long economic slide is picking up speed, and the Bush Administration is concerned that further inaction in Tokyo may trigger an economic crisis with global reverberations.**

But an equal concern is that an ever weaker yen will force devaluations throughout Asia, worsening trade tensions everywhere. Says Kenneth Courtis, Goldman Sachs Asia vice chairman: "It is now really important to get Japan back on track economically, because their problems are about to become ours."

Bush is unlikely to bash Koizumi in public. In keeping with his chummy, fraternal approach to fellow leaders, he is expected instead to toast Japan's help in the war on terror. But privately, Bush and his aides will try to persuade the Japanese to move quickly to avoid catastrophe. "We're not going to tell them how to reverse deflation," says a senior Treasury official. "But we'll certainly tell them they need to." The most

important—and toughest—message will be that Koizumi must force Japan's insolvent banks to write off more non-performing loans before the nation's estimated \$5 trillion mountain of public debt crushes the economy. Says a top Administration official: "There needs to be a sense of hurry-up."

Here's why: Although Bush won't see much of it, he is visiting a Japan that is being shaken to its roots by a decade of economic decline. The excess and hubris that once bought Rockefeller Center and Pebble Beach golf courses have been replaced by a growing malaise. Joblessness, bankruptcy, crime and suicide, once rare in Japan, are now just average headlines. In the recession-ravaged hot-springs resort town of Yufuin, citizens are hedging their futures by resorting to barter trade. Taxi rides, sake and even hospital bills can be paid for with a local scrip called the *yufu*. What backs it? Locals do odd jobs in return for

yufu. "Our wealth is slipping away," moans Eisuke Sakakibara, a former Vice Minister in the once all-powerful Ministry of Finance.

This is the moment Japan watchers have long feared. Although the country is enduring its fourth recession since 1990, government largesse has prevented most citizens from feeling the pain. These days the debt crisis is squeezing almost everyone. In Tokyo's parks, permanent communities of homeless live under standard-issue blue tents. As for homeowners, real estate values have declined to 1982 levels, which means houses now are often worth less than their mortgages.

In a land that once guaranteed employment for life, no job is secure. In a recent *Kyodo News* survey, 70 of 100 Japanese business leaders said they plan to cut wages this year. Wide-eyed men walk the subways begging for money. HELP ME, the signs around their necks read, RESTRUCTURED. That's Japan's euphemism for "fired."

The worse things get in Japan, the harder it is for a leader like Koizumi to get anything done. Although he cruised into office 10 months ago as the crusading anti-establishmentarian who would truly reform Japan, the dashing, outspoken Prime Minister with the finely tuned coif is in trouble. When he fired popular Foreign Minister Makiko Tanaka last month under pressure from anti-reform conservatives, his approval rating plunged 20% from last year's high of 80%. As confidence in his leadership sagged, the Nikkei stock average hit an 18-year low. "If he wouldn't support her, it's unlikely he'll make any other bold moves," concludes Masatoshi Sato, a senior strategist at Mizuho Investors Securities in Tokyo.

Koizumi's challenge is to orchestrate another bailout of Japan's banks (the fifth since 1998) while forcing them to call in nonperforming loans. For four years, Washington has been urging Japan to resolve its banking woes by setting up a government bailout fund, as the U.S. did during its savings-and-loan crisis in the 1980s. But Japan's bank debacle dwarfs the S&L crisis in both size and polit-

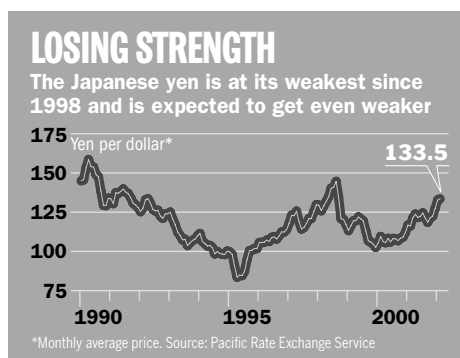
ical complexity. Real reform means unraveling decades of interlocking commitments blessed by a system that rewards support with favors.

It is not that Koizumi has done nothing. Analysts applaud his decision to guarantee only the first \$75,000 in new time deposits, beginning April 1. The regulation is a warning that Tokyo cannot back the status quo forever. Still, as bankruptcies and layoffs increase, it's harder to introduce tough reform measures. "They are writing off loans, but the bad loans are growing faster," says C. Fred Bergsten, director of the Institute for International Economics in Washington.

Made in Japan? That may be a disappearing concept. These days most of Japan's manufacturing jobs are migrating to China, where quality is high and labor is cheap. Sony, for instance, makes all its first-generation PlayStations there—about 7 million of them last year—and has plans to move PS2 manufacturing to China as well. Nearly half of Toshiba's 45

plants are now in China, cranking out air conditioners, mobile phones, TVs and whatever the next hot product is likely to be. In an astonishing twist, Japanese engineers and factory managers are lining up at employment agencies in search of jobs in China. "People here will take a job there even though the pay is half what they were making," explains Tomoko Hata, a manager at PaHuma, a private employment agency that finds jobs in Asia for unemployed Japanese. "They're desperate."

Abroad, the overarching fear is that Japan's woes will ripple through the rest of the world, triggering a financial crisis of unprecedented proportions. When its economy dipped precipitately in 1997, Japan allowed the yen to devalue, eventually destabilizing currencies in the rest of Asia and touching off the December 1997 financial crisis. In Beijing and elsewhere, leaders are determined to avoid a similar contagion this time around. ■



**Questions**

1. Describe the economic challenges facing Japan.
2. Why is Bush concerned about Japan's economy?

# Whipping Up A Fight

House Whips Pelosi and DeLay, battling each other for control of Congress, turn out to be two of a kind

By **DOUGLAS WALLER**/WASHINGTON

**W**HEN THE REPUBLICAN CONGRESSMEN meeting in a basement conference room at the Capitol last October got word that Democrats had just elected Nancy Pelosi as minority whip, they broke into applause. They weren't cheering because the California Representative had made history by becoming the first woman to win a top leadership post in the House. Many of the Republicans, including Speaker Dennis Hastert, considered the San Francisco Congresswoman a lightweight whose liberal voting record would help them paint the Democrats as out of synch with moderate voters.

One key Republican who did not join in the cheers that morning was Tom DeLay, who for almost eight years has been majority whip, the House G.O.P.'s top enforcer and vote counter. The conservative Texan

knew his new adversary was a mediagenic and relentless political organizer, a firebrand who could invigorate her party's liberal base just as he does the Republican right. "She's a worthy opponent," says DeLay. "I've always sort of liked her. But, obviously, I want to beat her at every turn."

This year Pelosi and DeLay will be battling each other not just on the House floor but also across the country, as they spearhead their parties' respective campaigns for control of the House. It promises to be a bruising fight. The Democrats need to pick up only six seats to take back the House, and history is

on their side: the party of the President—even a popular one like George W. Bush—typically loses House seats during a midterm election. Bush's high poll numbers have so far created "no coattail effect," admits Virginia Representative Tom Davis, who chairs the National Republican Congressional Committee. Democrats are looking to draw blood on domestic issues, where they think Bush is vulnerable. Last week, House Democratic leader Dick Gephardt pounced on a White House proposal to raise interest rates that college students pay for federal loans (Bush quickly backed away from the idea), while Pelosi called Bush's education budget "\$4.2 billion short of the promise of leaving no child behind."

But the rebounding economy and a lack of other rallying issues could help the Republicans. Congressional redistricting, which is mandated every decade in accordance with the new Census count, is still under way, but so far the redrawn lines appear to favor most House incumbents. No more than two dozen of the 435 House races may really be up for grabs, and many of them are in Republican-friendly areas in the South and Midwest. DeLay predicts the G.O.P. will defy history and actually increase its majority in November.

Pelosi is working hard to prevent that prediction from coming true. During a House Democratic retreat, she brought in her team of consultants to lecture party bosses on how to win back the chamber. Organize better at the grass roots, they said,

and stop wasting dollars on congressional districts where the Democrat has no chance of winning. So the party is targeting millions of dollars on races against vulnerable G.O.P. incumbents in such states as Connecticut and Iowa. "I have a reptilian approach," says Pelosi. "You have to be very cold-blooded in how you allocate resources." ■

**The Democrats need to pick up only six seats to take back the House, and history is on their side: the party of the President typically loses House seats during a midterm election.**

## Questions

1. Who are the House Whips? Their parties?
2. What factors could help Republicans and Democrats in the 2002 midterm elections?



# DeLay vs. Pelosi: A Study in Contrasts

As “Whipping Up a Fight” on page 28 makes clear, Tom DeLay and Nancy Pelosi have similar jobs—but markedly different approaches to those jobs, and to the issues that legislators of both parties are currently grappling with. Visit DeLay and Pelosi’s websites to learn more about where each lawmaker stands on several vital issues. Use the Search feature and News section of each site to fill in the chart below. Then answer the questions at the bottom of this page.

<b>ISSUE</b>	<b>DELAY’S STANCE</b> <a href="http://www.majoritywhip.house.gov">www.majoritywhip.house.gov</a>	<b>PELOSI’S STANCE</b> <a href="http://democraticwhip.house.gov">http://democraticwhip.house.gov</a>
Taxes		
Social Security		
Environment		
Now select two more issues—one of particular concern to DeLay and another of particular concern to Pelosi—and note where each lawmaker stands on them.	ISSUE: _____	ISSUE: _____

**FOR DISCUSSION OR WRITING**

1. What are the central contrasts you noted between DeLay and Pelosi? Where do the two appear to have similar philosophies?
2. If you could pose a question to both Pelosi and DeLay, what would you ask? What answer do you predict each lawmaker would give? Explain.

# WorldCom

Nailed for the biggest bookkeeping deception in history, a fallen giant gives investors another reason to doubt corporate integrity

By DANIEL KADLEC

**S**OON AFTER WORLDCOM CEO JOHN SIDGMORE revealed the most sweeping bookkeeping deception in history, a copy of his internal memo on the scandal was e-mailed to folks around the telecom industry. Under his predecessor, Sidgmore announced, WorldCom had overstated a key measure of earnings by more than \$3.8 billion over five quarters, dating back to January 2001. The company's reported profits, it turned out, were really losses.

As WorldCom—once big and rich enough to swallow No. 2 long-distance carrier MCI—struggles to survive, it is laying off 17,000 workers. Its stock, which peaked at \$64.50 three years ago, stopped trading last Tuesday at 83¢, having all but wiped out employee retirement accounts. The plunge in WorldCom shares has cost investors upwards of \$175 billion—nearly three times what was lost in the implosion of Enron. WorldCom is not yet financially bankrupt, but it's clear that it—like a fat slice of corporate America—has been ethically bankrupt for years. We're only now getting a look

at the red ink on the moral balance sheets, and new revelations of malfeasance in one company after another are sending shocks around the globe.

The dollar is falling. Stocks are in a swoon. Foreigners are calling home capital. Corporate insiders are dumping shares by the bucketful. Individuals are redeeming mutual-fund shares. Pension funds are getting socked. Banks are taking loan-portfolio hits. This is all a direct result of the spreading collapse of confidence in U.S. companies and the executives and board members who run them—

a crisis that threatens to untrack a fragile economic recovery. Speaking at an economic summit in Canada, President Bush said he was “concerned about the economic impact of the fact that there are some corporate leaders who have not upheld their responsibility.” The Federal Reserve seems concerned as well. At a meeting last week, it left interest rates unchanged—signaling that the recovery isn't firmly rooted. Some economists speculate that the Fed will soon cut rates to guard against a “double-dip” recession.

In the context of recent developments, President Bush's musings on CEO responsibility are as understated as the expenses in WorldCom's financial statements, the flashpoint for new worries of widespread accounting abuse. WorldCom said that an internal review uncovered huge hidden expenses—mostly line charges that it pays to other telecom carriers—that were characterized as capital investments, a gimmick that boosted its profits.

The company fired its longtime chief financial officer, Scott Sullivan, 40, and is turning over its findings to the Securities and Exchange Commission. The SEC has filed fraud charges and is launching an investigation—as is the Justice Department, at least two congressional committees and the state of Mississippi, where WorldCom is based. All current and former employees, along with WorldCom's ex-accounting firm, Arthur Andersen, have been ordered to refrain from Enron-like paper shredding. Investigators are especially eager to hear from WorldCom founder Bernie Ebbers, who resigned as CEO in April, not long after it was revealed that he owed the company \$366 million in low-interest loans.

**The plunge in WorldCom shares has cost investors upwards of \$175 billion—nearly three times what was lost in the implosion of Enron.**

In the same week that the veil was lifted from WorldCom's books, Xerox restated \$6.4 billion in revenues dating to 1997. The amount turned out to be more than triple what investors had expected and sparked a 13% sell-off of Xerox's stock.

Martha Stewart, meanwhile, faced fresh doubts about her explanation of why, after buying stock in a drug company run by a close friend, she sold her shares just ahead of bad news about the company's cancer drug. Stewart, recently appointed a director of the New York Stock Exchange, denies wrongdoing, but shares in her Martha Stewart Omnimedia have declined 40% in the past month over fears of damage to her image.

Yet this scandal sharply raises the stakes. When Enron filed for bankruptcy in December, it employed 28,000, of whom 12,600 have been let go. WorldCom employs 80,000 and will eliminate a fifth of those jobs almost immediately. The Enron-stock meltdown wiped out \$67 billion of shareholder wealth—less than half what WorldCom investors have lost.

The losers include pension funds and mutual-fund investors across the country. And, as at Enron, WorldCom's 401(k) plan was full of company stock, socking employees with greatly diminished savings just when they are likely to need them the most. Says John Alexander, 31, a former WorldCom benefits manager: "Everything they ever told us was, 'We're making money hand over fist.'" Alexander lost \$180,000, a large chunk of his life's savings.

The developments at WorldCom suggest that accounting games may be more pervasive than we had thought. With Enron, the tricks involved

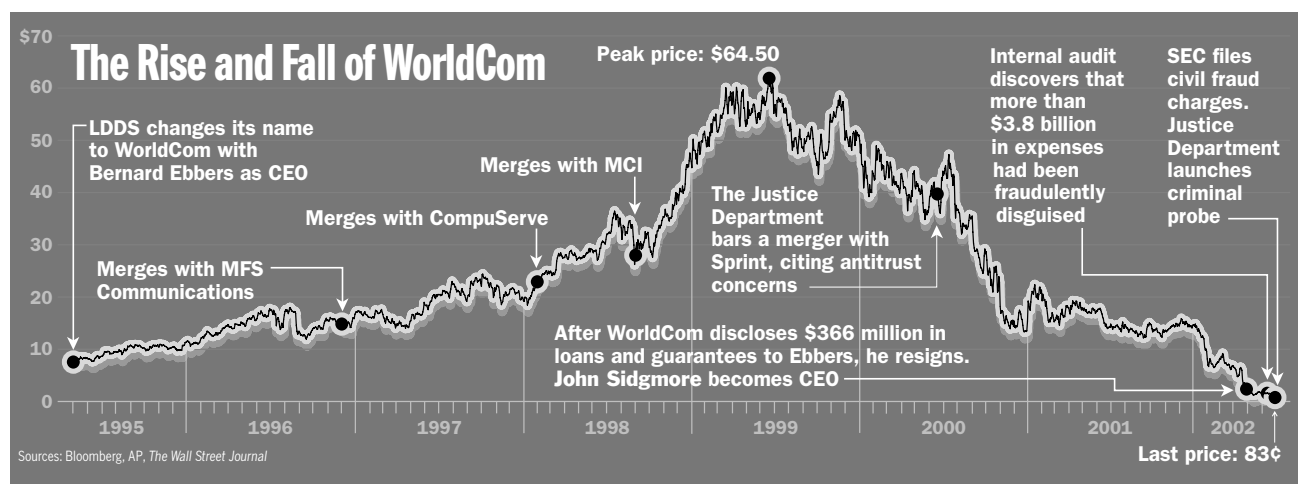
complicated partnerships, off-the-books debt and hedging techniques that made the firm's financial results difficult to assess even for pros. It seemed unlikely that anything so complex could be widespread. But with WorldCom, as House Financial Services Committee chairman Mike Oxley says, it looks like "good old-fashioned fraud."

How, exactly, did WorldCom cook its books? By treating routine expenses as capital investments. Normal operating expenses must be subtracted from a company's revenues in the year they occur. But capital expenditures can be subtracted from revenues a little at a time over many years. In the short term, that lets money flow to the bottom line and boosts financial results. It's the oldest trick in the book, and mind-numbingly simple. Dennis Beresford teaches Accounting 101 at the University of Georgia and says what happened at WorldCom is "plain vanilla" trickery that he covers on the second day of class.

Yet WorldCom's auditor—Arthur Andersen, the firm convicted of obstructing justice in the Enron case—somehow missed it. Andersen, which was paid \$4.4 million a year to certify that WorldCom's books were honest, says WorldCom CFO Sullivan never handed over the material Andersen asked for. Scoffs analyst Patrick Comack of the brokerage Guzman & Co.: "That's like a police officer saying the criminal didn't turn himself in." ■

**Questions**

1. How does the WorldCom scandal compare to the Enron meltdown?
2. How did WorldCom "cook its books"?



# The Coming Job Boom

The help-wanted ads may look thin—but thanks to a generation of aging baby boomers, that's about to change

By DANIEL EISENBERG

**A**T A TIME WHEN THE JOB MARKET STILL seems bleak, the outlook for Alex and Cindi Ignatovsky, both 33, could not be much brighter. After trying out a number of different careers, the Aptos, Calif., couple have recently discovered their true callings. Alex, who had been a paralegal and had also done a brief stint as an insurance salesman, has just started working as a juvenile-probation officer, helping kids wend their way through the crowded criminal-justice system. Cindi, who previously was an editor and a graphic designer, is now busy finishing up an intensive, multiyear program to become an acupuncturist. In her view, as she puts it, “there’s as much opportunity as I make of it.”

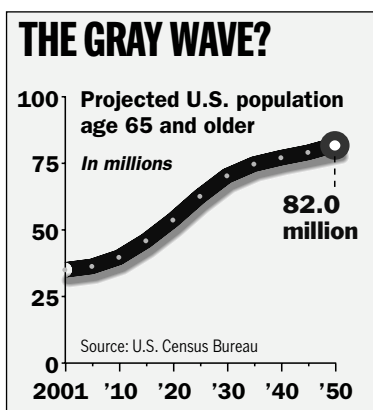
She’s right, about both her and her husband’s prospects—but not just because they’re passionate and adept at what they do. They have also, as it turns out, each chosen fields—in his case, law enforcement and social services, in hers, health care—that are feeling the first effects of the coming job boom. That’s right. Even as thousands of Americans are still getting pink slips, powerful help is on the way. And it has more to do with demographics than economics. The oldest members of the huge baby-boom generation are now 56, and as they start retiring, job candidates with the right skills will be in hot demand. As Mitch Potter of human-resources consultant William M. Mercer says, “The dotcom bubble created a false talent crunch. The real one is coming.”

In certain industries, especially those in which burnout and early retirement are common and demand for services is rising, the

crunch has already arrived. As the population ages, hospitals can’t find enough nurses or medical technicians. Drugstores are competing to hire pharmacists, bringing some beginners’ salaries above \$75,000. School districts and universities will need 2.2 million more teachers over the next decade, not to mention administrators and librarians, and are already avidly recruiting. Homeowners can’t get their calls returned by skilled contractors, electricians or plumbers. Corporations are scooping up accountants and engineers. For job seekers who have the right skills or are willing to learn them, there are real opportunities in government, construction and technology.

To millions of laid-off workers still pounding the pavement, of course, this might seem like wishful thinking. While the economy grew a whopping 5.8% in the first quarter of 2002, the job market usually lags by at least a few months. To land a job, record numbers of workers are taking pay cuts or switching industries, according to outplacement firm Challenger, Gray & Christmas; many others are starting their own small businesses. But as hard as it may be to believe, it should not be too long before employees are in the driver’s seat. A wave of retirements whose full effect is only starting to be felt will soon ripple through the entire economy. And the savviest workers and employers are already preparing for it.

Though the average retirement age is creeping up—and a growing share of Americans, by choice or necessity, are planning to work at least part time well past 65—demographers say there still will not be enough qualified members of the next generation to pick up the slack. With 76 million baby boomers heading toward retirement over



the next three decades and only 46 million Gen Xers waiting in the wings, corporate America is facing a potentially mammoth talent crunch. Certainly, labor-saving technology and immigration may help fill the breach. Still, by 2010 there may be a shortage of 4 million to 6 million workers.

Not enough Americans are trained for these jobs. They lack everything from computer literacy and leadership to critical thinking and communication skills. The recent slump, though, may be helping narrow the skills gap in a surprising way. Although generous social-welfare systems in industrialized countries such as Germany and Britain make it easy for the laid off to wait around for a factory to reopen, Americans tend to take the initiative during a downturn, getting educated or trained for a better job and in the process adding to the country's stock of human capital. Applications to graduate programs in everything from law and business to education and engineering are up from last year by 30%–100%. Although 1.9 million Americans with a high school diploma or less got the ax from September 2000 to October 2001—a time when the economy was slumping—1.2 million people with college or vocational degrees were hired, according to the Employment Policy Foundation.

It isn't just the younger generation that's going back to school, either. Bruce LeBel, 59, a veteran

aircraft mechanic who lost his job after September 11, is learning how to service the computer networks that help run more and more factories and power plants. Many of his former colleagues “are afraid to try anything different. They want to stay with a dead horse,” he says. “But the only thing that can save me is having a skill that's in demand.”

To keep pace in today's fast-moving economy, job hunters must be, above all, flexible. Steve Reyna, 28, who four years ago went to work at TDIndustries, a Dallas-based mechanical contractor that specializes in air-conditioning and plumbing projects for high-tech companies, knows this better than most. After training as a sheet-metal technician, Reyna moved on to work in the so-called clean rooms of semiconductor companies, learning a little welding and plumbing along the way. Just one of more than 1,300 employees at TDIndustries who are rigorously cross-trained, Reyna is now ready to work “wherever they need me.” If the number crunchers turn out to be right, that could soon mean just about everywhere.

**Questions**

1. What statistics does the writer cite to describe the magnitude of the coming job boom?
2. Between 2000 and 2010, what occupations are expected to be the “hottest”? The “coldest”?

<b>THE HOT JOBS</b> Some occupations with the largest projected growth, 2000–2010 (Change in number of jobs)		<b>THE COLD JOBS</b> Some occupations with the largest projected losses, or smallest growth, 2000–2010	
Teachers (K-12)	+711,000	Farmers and Ranchers	-328,000
Computer-Software Engineers	+664,000	Phone-Switchboard Operators	-60,000
Registered Nurses	+561,000	Bank Tellers	-59,000
Truck Drivers	+561,000	Insurance-Claims Clerks	-58,000
Computer-Support Specialists	+490,000	Word Processors/Typists	-57,000
Accountants and Auditors	+181,000	Sewing-Machine Operators	-51,000
Marketing and Sales Managers	+168,000	Butchers	-13,000
Auto Mechanics	+151,000	Meter Readers	-13,000
Health Therapists	+145,000	Parts Salespeople	-12,000
Police and Sheriff's Officers	+141,000	Procurement Clerks	-9,000
Social Workers	+141,000	Movie Projectionists	-3,000
Engineers	+138,000	Proofreaders	-2,000
Lawyers	+123,000	Loggers	-2,000
Electricians	+120,000	Funeral Directors	+1,000
Recreation and Fitness Workers	+118,000	Insurance Underwriters	+2,000
Sales Representatives	+118,000	Travel Agents	+4,000

Source: Bureau of Labor Statistics



# Answer Key

## The Saga of the Siege (pages 2-3)

1. The siege began on April 2, 2002, when Jihad Ja'ara, a gunman from al Aqsa Martyrs Brigades, was injured during a clash with Israelis. Comrades carried him into the Church of the Nativity. The Israelis did not want to storm the church, given that it is one of the holiest sites in Christianity, so they surrounded it, trapping Ja'ara and hundreds of others inside.

2. To resolve the standoff, Arafat was willing to go along with U.S. and British proposals that some of the men inside the church be deported. In response, many Palestinians accused Arafat of selling out.

## Untangling Jenin's Tale (pages 4-6)

1. The Israelis sought to take control of the Jenin camp because they believed it was home to numerous militants intent on staging suicide-bombing attacks against Israeli soldiers and civilians.

2. In 12 days of fighting at the camp, 54 Palestinians died and 49 more were missing, according to U.N. figures. Among the deaths were 22 civilians. A TIME investigation concluded that there was no deliberate slaughter of Palestinians by Israelis.

## Why Suicide Bombing ... Is Now All the Rage (pages 8-9)

1. Until recently, most Palestinians supported the peace process and believed they had alternatives to the kind of extreme tactics employed by suicide bombers. But with the breakdown of the peace process in 2000, prospective suicide bombers emerged in greater numbers than ever before.

2. Organizations that sponsor suicide bombings pay the bombers' families a permanent pension and bankroll the education of the bombers' children. In addition, Iraqi President Saddam Hussein provides a \$25,000 payment to the families in a show of solidarity.

## Better Late Than Never (pages 10-11)

1. Bush's senior foreign-policy advisers, led by Dick Cheney and Donald Rumsfeld, are skeptical of the concept of a land-for-peace swap. They therefore discouraged Bush from committing the U.S. to playing an active role in the peace process.

2. In a June speech, Bush stated that the Palestinians must replace their current leaders with ones "not compromised by terror" before the U.S. will recognize a Palestinian state.

## Leadership in the Middle East (page 12)

1. Each of the three cartoonists draws a parallel between Sharon and Arafat. The two leaders are depicted as lacking in vision and credibility, respectively (top image); as seeking to distance themselves from the peace process rather than engage in it head-on (middle image); and as bickering children who need to be kept apart by Colin Powell (bottom image).

2. The cartoonist suggests that Sharon has limited vision and Arafat has limited credibility. He makes this point through the extremely small size of the telescope and megaphone.

3. Sharon states that he wants Arafat exiled, while Arafat in turn states that he wants the dove—a symbol of peace—to be exiled. Taken together, these portraits suggest that while exile might provide a temporary reprieve from the cycle of violence, it will not provide a long-term solution to the Middle East conflict.

4. Powell is shown as a stern, commanding, "adult" figure who is attempting to keep the smaller "children" from feuding with one another. The statement from the TIME article suggests that Powell grew frustrated because senior members of the Bush Administration discouraged the President from fully committing the U.S. to playing an active role in the peace process.

5. Answers will vary.

## Encountering the Taliban (pages 13-14)

1. The article reveals that pockets of Taliban resistance continue to exist in Pakistan.

2. Within Afghanistan, support has emerged from the Iranian-backed Hezb-i-Islami movement and from Ittehad-i-Islami. In addition, support has come from Iran and from disaffected elements within Pakistan. Each of these groups shares the Taliban's view that America is the enemy.

## Inside Saddam's World (pages 15-16)

1. The fact that Saddam was nowhere in sight for his birthday party suggests that he is hiding in the shadows, seeking to avoid potential assassins.

2. Saddam is employing diplomatic weapons in an effort to undercut support for a U.S. attack on him. For example, his offer of \$25,000 to families of suicide bombers has won him wide admiration and a reputation as the one Arab leader who is willing to say no to Washington.

## Will Milosevic Get His? (pages 17-18)

1. Milosevic is accused of orchestrating crimes that brought about the deaths of 300,000 non-Serbs and the expulsion of millions from their homelands.

2. Milosevic calls the charges "absurd" and refuses to recognize the authority of the court to put him on trial.

## Our New Best Friend? (pages 19-20)

1. Bush views Putin as a trusted friend. Bush reached this view after the two leaders' first meeting last June.

2. Russia and the U.S. signed a treaty committing both nations to cut their nuclear arsenals. In addition, Russia is being considered for full membership in NATO.

## War Clouds in Kashmir (pages 21-22)

1. India and Pakistan are feuding over control of Kashmir; additional tensions have been created as a result of a separatist rebellion, fueled partly by Pakistan.

2. Musharraf publicly denounces militant incursions but knows that it would be political suicide to denounce the militants' goals; Vajpayee has advised Indian troops to prepare for a "decisive battle" and appears aware that conflict with Pakistan could enhance political support for his party within India.

## The Kashmir Conflict (page 23)

1. According to the map, India has 750,000 troops in Kashmir, while Pakistan has 506,000 troops.

2. India's Prime Minister ordered thousands of soldiers to the border with Pakistan and moved five warships to the Arabian Sea; Pakistan pulled 4,000 troops out of Sierra Leone and stationed them along its eastern frontier. Pakistan also performed a test of a medium-range missile.

3. For the militants, conflict provides an escape from poverty. Pakistan's President Musharraf wins political support by declining to denounce the aims of the separatists. And in India, war talk has brought an end to criticisms of the hard-line, anti-Muslim tactics employed by Prime Minister Vajpayee.

## Time For Hardball? (pages 24-25)

1. Japan has the world's highest level of public debt: 140% of gross domestic product. The nation is facing rising unemployment and mounting bankruptcies, while stock values and consumer confidence are falling.

2. Bush is concerned that inaction in Japan could trigger a global economic crisis.

## Whipping Up a Fight (page 26)

1. Tom DeLay (R-TX) is the

majority whip; Nancy Pelosi (D-CA) is minority whip.

2. History is on the Democrats' side, since the party of the President usually loses House seats in midterm elections. But the rebounding economy and a shortage of other issues could help Republicans.

## DeLay vs. Pelosi (page 27)

Possible answers include:

**Taxes**—DeLay supports abolishing what he calls the "Death Tax," while Pelosi argues that repealing the estate tax would undermine our national security and cost more than \$1 trillion.

**Social Security**—DeLay supports replenishing the Social Security Trust Fund by paying down debt; Pelosi charges that Republicans want to "raid" the Social Security Fund to pay for a tax cut for wealthy Americans.

**Environment**—DeLay supports opening ANWR (the Arctic National Wildlife Refuge) to development in order to reduce dependence on foreign oil; Pelosi accuses Republicans of creating new loopholes in the Clean Air Act that aid polluters and harm the environment.

## WorldCom (pages 28-29)

1. The meltdown of Enron stock obliterated \$67 billion of stockholders' wealth, less than half the amount WorldCom investors have lost.

2. WorldCom treated routine expenses as capital investments. These expenses were not subtracted from the company's revenues in the year they were incurred, but rather over time, boosting financial results.

## The Coming Job Boom (pages 30-31)

1. The writer states that by 2010, there may be a shortage of 4 to 6 million workers. Further, 76 million Americans are heading toward retirement, but only 46 million Gen Xers are waiting to take their places.

2. The hottest jobs include teachers, computer engineers and nurses; the coldest are farmers, telephone operators and bank tellers.

## Current Events in Review (page 32)

1.c 2.b 3.d 4.a 5.c 6.b 7.c  
8.c 9.c 10.b 11.L 12.E 13.F 14.C  
15.G 16.A 17.I 18.D 19.H 20.B

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