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Palestinians protesting Tuesday in the West Bank against the raid on a flotilla that aimed to run the Gaza blockade. The Turkish prime minister Tuesday called for Israel to be punished.

Pressure mounts on Israel after raid

JERUSALEM

Egypt opens its border with Gaza and activists begin a new sea mission

BY ISABEL KERSHNER AND ALAN COWELL

The fallout from Israel's attack on a flotilla trying to breach the blockade of Gaza widened Tuesday amid growing criticism of the raid, which left nine activists dead. Egypt reopened its border with Gaza to allow aid to flow through and activists said they had sent another ship toward the area.

More than 600 activists arrested after the raid Monday in international waters remained in custody in southern Israel, although an Israeli police spokesman said that about 45 people were being deported.

Some of those activists offered descriptions of the raid that differed sharply with accounts provided by Israel, raising more questions about precisely what happened when Israeli commandos descended on the convoy's lead ship early Monday. A German Left Party lawmaker, Inge Höger, condemned the raid as a "war crime."

"We felt like we were in the middle of a war, like we'd been kidnapped," Ms. Höger said. "What the Israelis did is a violation of international law."

Israel has said its commandos fired only in self-defense after being attacked by activists wielding knives and clubs as they boarded the Turkish ship. But a handful of activists, arriving in Berlin, told reporters that they had been on a peaceful mission and characterized the Israelis as the aggressors.

International pressure intensified on Israel to end its blockade of Gaza, with the United Nations secretary general, Ban Ki-moon, saying during a visit to Uganda that the confrontation "would not have happened" if Israel had lifted the blockade, according to Reuters.

Fresh reports of violence between Israeli troops and Palestinian militants underscored the tense security situation along the Gaza-Israel border. The Israeli military said two militants who infiltrated from Gaza had been killed in a clash with troops, and news reports said three other militants had been killed in an airstrike after a rocket attack from Gaza.

The confrontation at sea Monday also strained relations between Israel and

the United States just as American-sponsored proximity talks involving Palestinians and Israelis were getting under way.

And Turkish animosity seemed to deepen as Israel announced that four of the nine killed in the military operation aboard the Turkish vessel were Turkish citizens, the Anatolian News Agency reported. In a speech, the prime minister of Turkey called on Israel to be punished. In New York, after protracted wrangling, the United Nations Security Council condemned "acts" leading to the loss of life in the operation by Israeli commandos in international waters.

The Security Council also urged an impartial inquiry — a call echoed in a separate forum by Russia and the European Union on Tuesday at a meeting of senior officials in the southern Russian city of Rostov-on-Don.

For its part, Turkey, once seen as Israel's most important friend in the Muslim world, recalled its ambassador on Monday and canceled planned military exercises with Israel as the countries' already tense relations soured even further.

"This irresponsible, heedless, unlawful attitude that defies any human virtue should definitely, but definitely, be punished," Prime Minister Recep Tayyip Erdogan said Tuesday in his regular weekly address to his party in the capital, Ankara. "No one should dare to challenge Turkey or test her patience for that the strength of Turkey's animosity is as strong as the value of its friendship."

FLOTILLA, PAGE 4



Prime Minister Erdogan of Turkey accused Israel of an "irresponsible" attitude.

FLOTILLA RAID COMPLICATES PEACE TALKS The deadly Israeli commando attack has introduced a new strain into the already tense relationship between the United States and Israel. PAGE 4

ACTIVISTS DESCRIBE ISRAELI ASSAULT Commandos used stun guns on passengers and beat them during the raid on a Gaza aid flotilla, activists returning to Europe said. PAGE 4

Spain's government fights for its political life

MADRID

Zapatero is entrapped by cuts markets want and their wide unpopularity

BY RAPHAEL MINDER AND LONDON THOMAS JR.

Caught between a recession-weary populace resistant to more austerity and investors demanding searing budget cuts and more flexible labor markets, the Spanish government — like some others in Europe — is finding it increasingly difficult to keep a grip on power. Last week, the government of José

Luis Rodríguez Zapatero narrowly won approval for an extra €15 billion, or \$18.4 billion, in spending cuts. With labor unions and business leaders at loggerheads, Mr. Zapatero is also expected to present his own plan for loosening labor rules.

Three months ago a package that reduced the pay of civil servants and made it easier to hire and fire workers would have been hailed as a transformative coup, especially in an economy, with an unemployment rate of almost 20 percent, that was stuck in a recession for two years. Now the proposals are being seen as a desperate bid by an unpopular government to remain in office.

On Friday, Spain was hit with another downgrade of its debt even as calls were

increasing for early elections after the close budget vote. Together, the two events suggest to political leaders throughout Europe that voters and investors are fed up with the lack of resolve and leadership in dealing with the economic situation.

"The government made a real mistake in being late in recognizing this crisis and continues to make a mistake in the drip-by-drip measures to solve it," said Jordi Sevilla, one of Mr. Zapatero's former ministers. "You can only get credibility by presenting one strong

and coherent package." Coming up with something strong and coherent that would satisfy all the various constituencies, of course, is no easy task. And Mr. Zapatero is under pressure from all sides. Following an international rescue package for Greece, investors want Spain to demonstrate that it can cut its bloated deficit fast enough to avoid requiring its own emergency financing. Given the size of the Spanish economy, a rescue would be much more costly than the Greek bailout. Yet a debt default or severe restructuring would be even worse, crippling foreign banks whose lending underpinned Spain's debt spurge. SPAIN, PAGE 20

New Gandhi slips into India's limelight

AHRAURA, INDIA

A dynasty's scion enjoys enormous popularity, but is aloof and untested

BY JIM YARDLEY

Rahul Gandhi's helicopter descends out of the boiling afternoon sky and a restless, sweat-soaked crowd of 100,000 people suddenly surges to life. Men rush forward in the staggering heat. Teenage boys wave a white bedsheet bearing a faintly cheeky request: "We Want to Meet the Prince of India."

Mr. Gandhi climbs onto a special viewing stand in this isolated corner of India's most populous state, Uttar Pradesh, and offers a boyish wave. Not yet 40, Mr. Gandhi is the great-grandson of India's first prime minister, the grandson of India's fourth prime minister and the son of India's seventh prime minister. His audience includes some of the poorest people in India.

"I'm standing here with you. I can come with you anywhere and everywhere to fight with you," he declares to cheers, speaking for about 15 minutes before he departs, waving through the window of his chopper.

India is Mr. Gandhi's family inheritance. Seemingly the only uncertainty is when he will collect it. He holds no major post in government, yet rumors persist



Rahul Gandhi leaving an Uttar Pradesh rally. India is his family inheritance. He holds no major post in government but rumors persist that he will be the next prime minister.

that the governing party, the Indian National Congress — whose president is his mother, Sonia Gandhi — might install him as prime minister before the current government expires in 2014. The job's occupant today, Manmohan Singh, has had to bat away retirement questions.

Yet despite his aura of inevitability, Mr. Gandhi is an enigma. India is an emerging power, facing myriad domestic and international issues, but he remains de-

liberately aloof from daily politics. His thoughts on many major issues — as well as the temperature of the fire in his stomach — remain mostly unknown.

For the Congress party, that may be an advantage. It has been the top vote-getter in the past two national elections by appealing to the poor through welfare programs while also pursuing pro-growth policies, a formula it calls "inclusive INDIA, PAGE 8

Airlines breathe easier as elite seats fill up

PARIS

BY NICOLA CLARK

When a cloud of volcanic ash shut down air travel in Europe for six days in April, it could have been another body blow for Dale Moss and his low-cost, all-business-class airline, OpenSkies.

Just eight months earlier, the effects of the global recession had led OpenSkies — which took wing in June 2008 — to abandon its Amsterdam-to-New York service, leaving it with just one route, between the Paris-Orly and Newark, New Jersey, airports.

Mr. Moss, the OpenSkies chief executive, was just about to start new service between Paris and Washington on May 3, when the ash cloud threw European air traffic into chaos.

"It was dreadful," he said recently. "We were massively frustrated."

As luck, or perhaps fate, would have it, the ash cloud lifted, and the Washington service started as scheduled. Mr. Moss said bookings on the new route for May, June and July were 15 percent above what the airline had projected.

Moreover, he said, the Paris-Newark service began breaking even in April — despite the volcano — after nearly three years of losses. "I always touch wood," he said. "In the airline business, so many things are out of your control."

OpenSkies' improving fortunes have coincided with a steady recovery in demand for business- and first-class seats.

That has helped to ease fears in some corners of the industry that the recession — which led to a 25 percent drop in demand in 2009 — might cause a permanent shift away from premium travel.

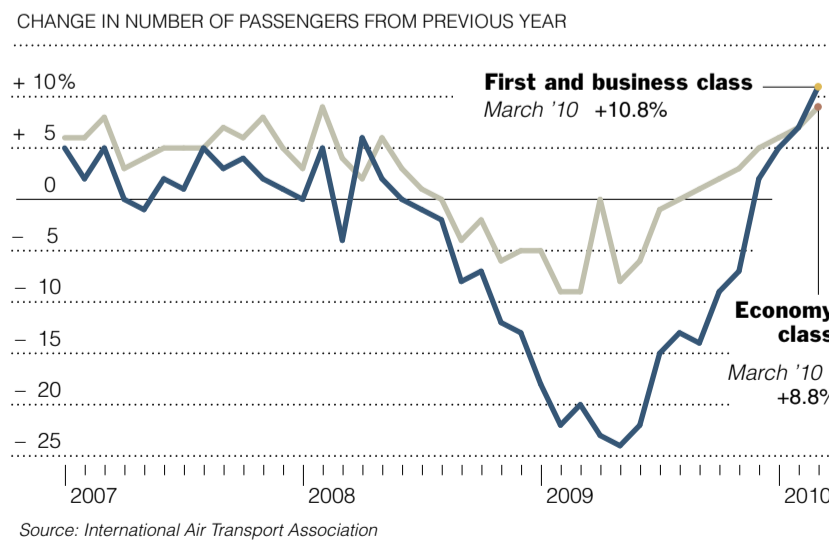
High-end traffic, while still below pre-crisis levels, is recovering at a faster rate than the overall market as business confidence improves and world trade increases. The number of passengers

traveling internationally in first and business class rose 10.8 percent in March from a year earlier, according to the latest data from the Geneva-based International Air Transport Association, outpacing the 8.8 percent increase in economy-class travelers.

But while more of those fine leather seat-beds may be filled these days, econ-

Back in business

The rebound in air passenger traffic this year has been underpinned by an increase in business travelers.



CURRENCIES NEW YORK, TUESDAY 1:30PM PREVIOUS Euro ▼ €1= \$1.2280 \$1.2300 Pound ▲ £1= \$1.4680 \$1.4540 Yen ▼ ¥1= \$91.160 ¥91.240 S. Franc ▼ ₣1= SF1.1540 SF1.1550

STOCK INDEXES TUESDAY The Dow 1:30pm ▲ 10,164.06 +0.27% FTSE 100 close ▼ 5,163.30 -0.48% Nikkei 225 close ▼ 9,711.83 -0.58%

WORLD NEWS Obama turns up heat on spill The president vowed Tuesday to pursue criminal inquiries into the cause of the oil spill in the Gulf of Mexico, as the crisis threatened to engulf his second year in office. PAGE 5



An abstract life Louise Bourgeois, who gained fame late in a long career, has died at 98. Above, her bronze sculpture "Maman" in Tokyo. PAGE 5

Views Fewer and fewer species The biology of the Earth has yet to reach its proper place in human affairs, mostly because, of all environmental concerns, biodiversity is the hardest to do anything about, writes Thomas E. Lovejoy. PAGE 6

Business \$6.2 billion loss in Dubai The main subsidiary of Dubai Holding, a conglomerate controlled by the ruler of Dubai, posted a loss Tuesday of \$6.2 billion for 2009 and said it might resort to asset sales. It also said it was in talks with banks to roll over debt. PAGE 19

Surfing the surfer With the privacy of Internet users increasingly at risk, signs are emerging that it may be time for some government regulation of the Web, writes Evgeny Morozov. PAGE 6

Hewlett-Packard cuts 9,000 The computer maker said it would reduce its work force and take a \$1 billion charge as it consolidated and automated its data centers. PAGE 22

NEWSSTAND PRICES Alpha 1.75 Brazil 10.00 Czech Rep 22.00 Germany 4.00 India 1.00 Japan 1.00 Korea 1.00 Mexico 1.00 Russia 1.00 Taiwan 1.00 Thailand 1.00 UK 1.00 USA 1.00

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