

nas Shifts om Rockets Culture War

ict in Gaza Yields istic Resistance

ETHAN BRONNER

Seven months after a fierce three-week campaign here to stop from being fired on its communities, Hamas ended its use of rockets and focus to winning support and abroad through initiatives and public re-

is to build what lead-call a "culture of resistance. In recent days, a been staged, a movie d, an art exhibit mount- of poems published television series begun, state-sponsored and all n the plight of Palestin- za. There are plans for ntary competition.

l resistance is still im- ind legitimate but we v emphasis on cultural 2," noted Ayman Taha, a ader and former fighter. ent situation required a of rockets. After the ighters needed a break ople needed a break." ia and others say that ry has replaced field ers and restructured it- earns lessons from the lecision to suspend the e short-range Qassam at for years have flown l, often dozens a day, sarty the result of po- ure. Increasingly, peo- re questioning the val- rockets, not because civilians but because seen as relatively inef-

lid the rockets do for g," noted Mona Abd- 3-year-old lawyer in a et interview here. g Hamas will hold its whether it will obtain nued on Page A10

STOCK TRADERS FIND SPEED PAYS, IN MILLISECONDS

THE FASTER, THE RICHER

Computers Can Be Used to Manipulate Prices, Critics Contend

By CHARLES DUHIGG

It is the hot new thing on Wall Street, a way for a handful of traders to master the stock market, peek at investors' orders and, critics say, even subtly manipulate share prices.

It is called high-frequency trading — and it is suddenly one of the most talked-about and mysterious forces in the markets.

Powerful computers, some housed right next to the machines that drive marketplaces like the New York Stock Exchange, enable high-frequency traders to transmit millions of orders at lightning speed and, their detractors contend, reap billions at everyone else's expense.

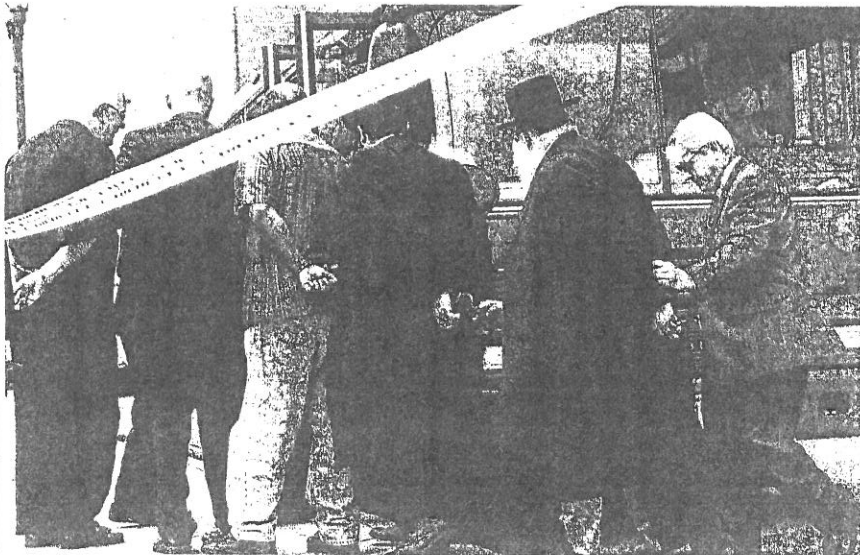
These systems are so fast they can outsmart or outrun other investors, humans and computers alike. And after growing in the shadows for years, they are generating lots of talk.

Nearly everyone on Wall Street is wondering how hedge funds and large banks like Goldman Sachs are making so much money so soon after the financial system nearly collapsed. High-frequency trading is one answer.

And when a former Goldman Sachs programmer was accused this month of stealing secret computer codes — software that a federal prosecutor said could "manipulate markets in unfair ways" — it only added to the mystery. Goldman acknowledges that it profits from high-frequency trading, but disputes that it has an unfair advantage.

Yet high-frequency specialists clearly have an edge over typical Continued on Page A17

44 Charged by U.S. in New Jersey Corruption Sweep



Agents led suspects from F.B.I. headquarters in Newark on Thursday. The inquiry began with questions on money laundering.

Case Recalls Tightrope Blacks Walk With Police

By SUSAN SAULNY
and ROBBIE BROWN

CHICAGO — Ralph Medley, a retired professor of philosophy and English who is black, remembers the day he was arrested on his own property, a rental building here in Hyde Park where he was doing some repair work for tenants.

A concerned neighbor had called the police to report a suspicious character. And that was not the first time Mr. Medley said he had been wrongly apprehended. A call Mr. Medley placed to 911 several years ago about a burglary resulted with the police showing up to frisk him.

A Professor's Arrest Tests Opinions on Racial Progress

"But I'm the one who called you!" he said he remembers pleading with the officers.

Like countless other blacks around the country, Mr. Medley was revisiting his encounters with the police as a national discussion about race and law enforcement unfolded after the arrest of Henry Louis Gates Jr., Harvard's prominent scholar of African-American history. Professor Gates was arrested for disorderly conduct last Thursday at his home in Cambridge, Mass., as the police investigated a report of a possible break-in there. The charge was later dropped, and the Cambridge Police Department said the incident was "regrettable and unfortunate."

In interviews here and in Atlanta, in Web postings and on

television talk shows, blacks and others said that what happened to Professor Gates was a common, if unacknowledged, reality for many people of color. They also said that beyond race, the ego of the police officer probably played a role.

But more deeply, many said that the incident was a disappointing reminder that for all the racial progress the country seemed to have made with the election of President Obama, little had changed in the everyday lives of most people in terms of race relations.

"No matter how much education you have as a person of color, you still can't escape institutional racism," said Keith E. Horton, a sports and entertainment lawyer in Chicago who is black. "That's what the issue is to me."

To be sure, people have found fault with how Professor Gates responded to the arresting officer, Sgt. James Crowley, who said he was simply fulfilling his duty in investigating the report of a

Continued on Page A3

Five Rabbis and 3 Mayors Are Accused

By DAVID M. HALBFINGER

A two-year corruption and international money-laundering investigation stretching from the Jersey Shore to Brooklyn to Israel and Switzerland culminated in charges against 44 people on Thursday, including three New Jersey mayors, two state assemblymen and five rabbis, the authorities said.

The case began with bank fraud charges against a member of an insular Syrian Jewish enclave centered in a seaside town. But when that man became a federal informant and posed as a crooked real estate developer offering cash bribes to obtain government approvals, it mustered into a political scandal that could rival any of the most explosive and sleazy episodes in New Jersey's recent past.

It was replete with tales of the illegal sales of body parts; of furtive negotiations in diners, parking lots and boiler rooms; of nervous jokes about "padding down" a man who turned out to indeed be an informant; and, again and again, of the passing of cash — once in a box of Apple Jacks cereal stuffed with \$97,000.

"For these defendants, corruption was a way of life," Ralph J. Marra Jr., the acting United States attorney in New Jersey, said at a news conference. "They existed in an ethics-free zone."

Mr. Marra said that average citizens "don't have a chance" against the culture of influence peddling the investigation had unearthed.

Even veteran political observers were taken aback by the scope of the investigation. The mayors of Hoboken, Secaucus and Ridgefield were among those arrested.

"This is so massive," said Joseph Marbach, a political scientist at Seton Hall University. "It's going to just reinforce the stereotype of New Jersey politics and corruption."

The arrests had immediate re-



ntura, watching with her mother: "You just can't ask any more of me. You just can't."

ublic, Obama Didn't Fill In Health Blanks

KEVIN SACK

LE, Ga. — As Craig bed President Obama's conference on night on his TiVo- vision, he kept his- e button so he could ons at the image fro-

MISSING A DEADLINE

A leader said the Senate would not vote on health care legislation until after a recess. Page A14.

waste without changing the whole system?

Like many in the country, Mr.

Cain in the presidential race, they find Mr. Obama an earnest and compelling pitchman. But they remain frustrated by the lack of available detail about his plan's contours and cost.

They say they feel they are being asked to buy on spec from a government they do not trust.

As Ranks of Unemployed Swell, Wait for Benefits Worsens Pain

By JASON DEPARLE

WASHINGTON — Years of state and federal neglect have hobbled the nation's unemployment system just as a brutal recession has doubled the number of jobless Americans seeking aid.

In a program that values timeliness above all else, decisions involving more than a million applicants have been slowed, and hundreds of thousands of needy people have waited months for checks.

And with benefit funds at dangerous lows even before the recession began, states are taking on billions in debt, increasing the pressure to raise taxes or cut aid, just as either would inflict maximum pain.

Sixteen states, with exhausted funds, are now paying benefits with borrowed cash, and their

THE SAFETY NET

Falling Behind



HEIDI SCHUMANN FOR THE NEW YORK TIMES
Luis Coronel and his pregnant wife waited months for aid.

of initial payments within three weeks — slightly below the standard set under federal law —