

Israeli Internal Fight, U.S. Policy Crucial In Mideast Talks

The intricate interplay between U.S. Middle East policy, U.S.-Israeli relations, and the Israeli internal situation will be key to the resolution of the tricky Middle East situation in the next weeks. This interplay is made all the more complicated by the machinations in the Mideast of Israeli "Anglo" circles around Foreign Minister Moshe Dayan and by the attempts of the British government to win a prominent position in the Middle East and within the European Economic Community policy-making apparatus. These two factors, in turn, intersect those American-based policy circles under the sway of former Secretary of State Henry Kissinger, who are fighting for a policy detrimental to a comprehensive Middle East peace founded on recognition of Palestinian self-determination rights, real Israeli security guarantees, and a regional development policy.

Making matters yet more delicate has been the campaign waged by the major Western media to portray the Mideast talks as now totally focussed on the Egypt-Israel bilateral talks on the Sinai and on Jewish settlements in occupied territories, and to claim that the propeace environment catalyzed by Egyptian President Anwar Sadat's trip to Jerusalem is dissipating.

This media portrayal has deflected public attention from Israeli Prime Minister Menachem Begin's continued attempts to walk through the minefields sown by the Israeli internal situation, especially those lain by Dayan, by Agriculture Minister Ariel Sharon, and by extreme nationalists in Begin's own Herut Party and in the ruling coalition.

Throughout the week, *Executive Intelligence Review* was able to obtain from sources several valuable insights on both U.S. policymaking dilemmas and on Begin's internal political strategy in Israel. *EIR* as well has compiled a dossier on the activities of Dayan and his allies in London against regional peace moves.

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Begin Trying To Undercut Extremists, Analysts Say

Two difficult confrontation situations facing Prime Minister Begin arose this week. On Jan. 9, at the national convention of the Herut Party, Agriculture Minister Ariel Sharon attempted to organize a hardline anti-Begin faction, based on the polemic that Begin's peace plans are a "national disaster" and that Begin is "soft on the Jewish right of settlement in Arab lands." Sharon was

joined by Herut ideologues Geula Cohen and Samuel Katz, who had resigned from the government last week.

In response to the extremists, Begin threatened to resign if his peace plan were not accepted. This forced an overwhelming vote in favor of the peace plan, although a significant minority then voted against Begin's candidate for Minister without portfolio, Haim Landau. At the conference, Begin told the party members flatly, "We want peace. No more widows, no more orphans!"

Over the weekend, Sharon tried to push through the Cabinet a plan for 25 Israeli settlements in the West Bank and for new settlements in the Sinai territory. When this drew opposition from several Cabinet members, the decision was deferred to the Knesset (Parliament) Foreign Affairs and Defense Committee, which decided in favor of four West Bank settlements. After the vote, two Israeli spokesmen in the U.S. gave the following descriptions of the Israeli internal situation:

It is correct that the Knesset Committee has approved the Cabinet's recommendations for new settlements, *if* there is any intention to settle in Judea and Samaria (Israeli official terms for the West Bank of the Jordan River—ed.). But in general, the settlements issue is marginal, and I regret all the play it is getting in some of the press I have been monitoring. The danger and risk in general is how the media is finding details to fixate on, when the actual negotiations are moving to behind closed doors, and difficult issues must be discussed.

Also you have to take into account Begin's position. Extremists like Geula Cohen are actually trying to organize an active faction throughout the country against Begin, but Begin is determined to respond to the majority sentiment in favor of a peace settlement, and it's the majority that counts, and Begin's working with *it* and not the efforts of the extremists.

According to the second, Washington-based source:

The Knesset settlements decision is the middle course. But more important, there is something diabolical involved in the recommendation for new settlements: nobody wants to move into new settlements, the Gush Emunim group can't even find people to move into old settlements! Begin knows this! He's playing a hard-nosed game, internally and internationally, a domestic chess match and a chess match with the Egyptians. And sensitive people

know this: look at the State Department's refusal to chastise the Israelis—if they weren't trying to give Begin some critical support they would have freaked out.

Begin is undoubtedly trying to outflank his opposition, the extremists. He's calling their bluff: all right, he says, you have the settlements, go try to settle them! He's also cutting off Sharon a bit. And thereby showing where the vast majority sentiment of Israel lies—not with the extremists, who are just a vocal minority.

Begin, you must realize, is in an enviable position with the extremists—he understands their every thought, he was once one of them. So he can work out strategies to circumvent them.

Interestingly, an Egyptian spokesman in the U.S. gave support to this analysis:

Of course, to us the settlements are a problem, and we can't accept them. When we get the Sinai back, as per Begin's promise, it will be our decision on how to deal with the Sinai settlements. The key here is that Begin is himself faced with a problem: in the past days, numbers of settlers from the Sinai have started going back to Tel Aviv, and have demonstrated in front of Begin's house, which has created uncomfortable psychological problems for him. These settlers were encouraged by the past government, and now it's difficult for Begin, we understand that.

A longer range supportive perspective for Begin has come from the Israeli dovish camp. Former Foreign Minister Abba Eban, a leading representative of this camp, this week called for a Labour Party-Likud coalition to push for peace in Israel, a critical supportive move behind Begin.

One Israeli leftist, now a visiting professor in the U.S., had the following sense of Begin's politics:

Begin hasn't formulated his final position yet. He's re-educating himself, but he's taken significant steps in the right direction. It was very important for him to question Israeli sovereignty over the West Bank, and to say that Jordan was previously the *oppressor* of Palestinian Arabs, thus for the first time clearly differentiating *Jordanian* from *Palestinians*, not claiming that these are one nation. Further, his recognition that the Palestinians deserve autonomy is very important.

I think there are sufficient pressures on him—circumstances, Sadat's need for momentum, Israel's need for peace—that will push him further in the appropriate direction. His main problems are his party and his coalition. The Knesset is behind the times, behind the mood of the country. So, if Begin is intent on going all the way, he may have to call for new elections, and thereby efficiently destabilize his opposition.

A top U.S. expert on Israeli affairs concurred with this analysis:

The situation is not exactly what it appears to be in the press. There is no question that there are many

difficult issues to be solved. The most important issue is time. Begin needs time badly. He has departed from his old line. He is not the same person that he used to be. He is a reformer who needs time to educate his population. You have to understand that what Begin says in public is not what he is doing behind the scenes.

Begin is the first Israeli politician who has launched a peace initiative on serious grounds. But he does not have a unified government behind him. He depends on his coalition partners, one of whom is Dayan who by all means does not have views identical with Begin's. Dayan has no political base, but he is working to achieve one. The question is, who will finish first, Dayan or Begin? The education process that Begin has launched will take time, and the problem is, can Sadat wait? As I said, the only problem that I see is one of timing, and not anything else.

One responsible voice critical of Begin was a U.S.-based European diplomat, who was concerned that Begin had done too little of an educative, organizing nature to prepare the population for new peace moves. This diplomat, and the European press in general, also expressed concern over the just-announced Israeli budget, which commits the government to new austerity measures and to the funnelling of fully one-third of expenditures just for *debt-servicing*. Without a balancing initiative in the direction of economic growth and development, both from within Israel and from the international community, the austerity mood in Israel could sour the sentiment for progress that is necessary for peace.

Dayan Dossier: Biggest Opponent of Peace in Israel

Israeli Foreign Minister Moshe Dayan, using his extensive British-backed networks inside Israel's intelligence and military establishments, is working to sabotage the Begin-Sadat peace efforts and catapult himself into power. "Dayan wants to become Prime Minister," stated one Washington-based analyst, who noted that since the Sadat trip to Jerusalem, Dayan has been locked out of the peace process by Begin.

Dayan's strategy is to isolate Begin. Last week, Shmuel Katz, Begin's information adviser, resigned. In an interview with the Italian press, Katz said that one of the main reasons for his resignation was disputes with Dayan. Katz had been Begin's choice for Minister of Information last summer, but was blocked by Dayan. Dayan later prevented the implementation of a plan drawn up by Katz for an Israeli information service that would limit the powers of Dayan's foreign ministry.

According to the *Jerusalem Post*, Dayan has dispatched the Director General of the Foreign Ministry, Ephraim Evron, to coordinate a top-down reorganization of the Israeli UN Mission and Consulate in New York. Already, the Consul General Uri Ben-Ari has stepped down because his relations with Dayan are said "to be

strained," and other resignations are rumored, possibly including that of UN Ambassador Chaim Herzog.

Dayan was also behind the nomination of his extremist colleague, Agriculture Minister Ariel Sharon, to attend the meetings of the joint Israel-Egypt political commission beginning on Jan. 15 in Jerusalem. The request was torpedoed by the Israeli Cabinet. According to the *Jerusalem Post*, both Dayan and Sharon are viewed by many in Begin's Likud Party "with a tinge of dislike and mistrust."

In an interview in the Israeli daily *Maariv* two weeks ago, Dayan described Sadat as "uncompromising," and predicted the collapse of the peace effort because of the Egyptian president's "intransigence." In a further effort to undermine the Sadat-Begin dialogue, Dayan's emphasis on the settlements question contradicts statements made by Defense Minister Weizman explicitly defining the over-blown settlements question as not the critical matter.

Last week, Dayan visited Italy to pressure the Italian government away from cooperating with the organizing efforts of West German Chancellor Schmidt, who is seeking to unite Europe around a stand in favor of Palestinian rights. According to the Italian daily *Il Giornale*, Dayan is worried that the Italian government might recognize the PLO but is counting on the Andreotti government to fall before it is able to do so. The Italian press also reports that Dayan blocked European Economic Community head Simonet from visiting Jerusalem last month.

Great Britain Inserts Itself into Middle East

A string of British government ministers and ex-ministers paraded through the Middle East last week in an apparent effort to take advantage of the faltering Middle East peace talks by reestablishing a British presence in the area. The City of London, whose political intelligence networks have worked overtime to block a comprehensive resolution of the Palestine question for 60

years—and especially in the last 60 days—is seeking to appropriate the control of the flow of Arab petrodollars for its own purposes.

Leading the British influx is Prime Minister Callaghan, who scheduled an unplanned stop in Egypt for Jan. 15 to meet President Anwar Sadat. Callaghan's visit, according to the British, was at the invitation of the Egyptian leader, but American reports said that Callaghan had invited himself. Reportedly, Callaghan is seeking to become a spokesman for the European Community in the Middle East, a place which most observers have given to the West German Chancellor, Helmut Schmidt.

Callaghan, who toured the Asian subcontinent of India before his Egypt stop, claimed that he had spoken with Prime Minister Begin of Israel and would carry a message to Sadat for Begin. But Callaghan's pompous claim looked ridiculous in light of the fact that Begin's defense minister, Ezer Weizman, was visiting Cairo at the moment and had personally met with Sadat!

The Callaghan visit to Egypt follows that of two other prominent subjects of Her Majesty, Defense Minister Fred Mulley and former Prime Minister Edward Heath.

Mulley, who is now in Jordan, is on an arms sales mission. He told the *Jordan Times* last week that the Begin peace plan is "not nearly sufficient" and that the Palestinians must have the right "to participate in determining their own future." But this formula, a fuzzy-minded replica of a statement by Carter in Egypt last week, is an explicit attempt to deny the right of self-determination to the Palestinians by watering it down with Jordanian and Israeli "participation." By contrast, the other countries of Western Europe are very close to recognizing the PLO, and there are reports that Chancellor Schmidt has called for a Palestinian "state."

The Heath trip to Egypt was followed by a visit to Saudi Arabia. Heath is a member of the commission established by Willy Brandt and World Bank President McNamara to encourage a labor-intensive, anti-industrial policy toward the Third World, along with such luminaries of the Lazard Freres network as Katherine Graham, Peter Peterson, and Pierre Mendes-France.

U.S. And Foreign Experts Blast Carter Vacillation

Several sources concurred this week on the necessity of fresh and explicit U.S. initiatives on the question of Palestinian self-determination. These sources were generally critical of President Carter and National Security Council head Zbigniew Brzezinski for their alternately fuzzy and provocative statements on this crucial question.

Carter "Inconsistent"

The following comments are from a former high-ranking State Department official with wide experience in Middle East politics:

Q: What do you think about the recent turn in American

Middle East policy, particularly the phrase used by Carter that the Palestinians should "participate in determining" their future?

A: It is quite clear that they will indeed have to participate. But I am not at all happy about statements from Carter and from (NSC Director) Brzezinski about the PLO being finished. That simply is not true. Carter should be sticking to his guns, and so far he has not really been all that inconsistent on the Middle East. His policy, which I helped to develop, calls for a Palestinian homeland, a return to the 1967 frontier by the Israelis, and the conclusion of a peace settlement as Israel defines it. Now he has to commit himself to pressure Israel toward that goal.