

# Hopeful signs in Mideast peace talks, as Germany's Kohl pledges economic aid

by Adam K. East and Hussein al-Nadeem

Due to a flurry of recent diplomatic efforts which were mostly set in motion by the United States, the sluggish Mideast peace process has been given a shot in the arm. Preliminary agreement has been reached among Syria, Israel, and the United States on certain security issues that would be involved in an Israeli withdrawal from the Golan Heights, which has been under Israeli occupation since the 1967 Mideast war. The agreement signed by Syria and Israel, announced by U.S. Secretary of State Warren Christopher on May 25, will allow negotiations to resume at the level of the chiefs of staff of the Israeli and Syrian armed forces, most likely by the end of June. The agreement covers early warning systems, demilitarized zones, troop withdrawals, deployment limits, and other security arrangements, whose details will have to be worked out as part of an overall peace agreement between the two countries.

President William Clinton is reported to have said, in a telephone discussion with Syrian President Hafez al-Assad, that it should be possible to have an agreement between Israel and Syria by the end of the year.

The progress between Syria and Israel was initiated by President Clinton, who had met with Syrian Foreign Minister Farouq al-Shara in mid-May. Following his meeting with President Clinton and Secretary of State Christopher, Shara told reporters that he was satisfied with the President and Christopher's "willingness to help both countries [Syria and Israel] overcome the difficulties facing the peace negotiations."

Also around this time, Bashar al-Assad, the son of Syrian President al-Assad, is reported to have met secretly with Israeli representatives in London.

## Giving up land to achieve peace

According to U.S. Deputy Secretary of State Dennis Ross, Israel's decision to freeze its plans to confiscate Arab lands in east Jerusalem was a contributing factor in the agreement. Israel's land-grab was frowned upon by most of the Islamic world, and a U.N. Security Council resolution, which would have condemned the Israeli action, was vetoed by the United States.

Addressing the leaders of the ruling Labor Party a few

days after the initialing of the accord with Syria, Israeli Foreign Minister Shimon Peres, an architect of the Mideast peace process, said that in order for Tel Aviv to reach peace with Damascus, Israel would have to do what it did with Egypt in 1979, where the Jewish state agreed to fully withdraw from the Sinai peninsula, in return for full peace with Egypt. "It does not have to be identical, but there are no illusions here," said Peres. "There is no Syrian I know who is prepared to be less than an Egyptian."

"We must not allow the chance of comprehensive peace in the Middle East to slip through our fingers," said the foreign minister, adding that "no one will forgive us if children learn one day that it was possible to end the wars . . . and we ran away from that decision."

Washington has made it known that it is important for both countries to reach an agreement before the end of November, because at that time domestic political issues will take precedence, in anticipation of the 1996 presidential elections in Israel. In this regard, the ongoing split of the Likud, the main opposition party in Israel, should be welcomed by the Labor Party, which initiated the peace process with the Palestinians. According to news reports, the split in the Likud comes as a result of "personal" conflict between Likud leader Benjamin Netanyahu and David Levy, a former foreign minister and deputy prime minister. The Moroccan-born Levy, who wields tremendous influence among Sephardic voters—Jews originally from the Middle East and North Africa—has threatened to form a separate party. This move, if carried out, would deliver a lethal blow to the Likud's chances of challenging Labor in the upcoming elections.

## Kohl stresses economic development

On another front, German Chancellor Helmut Kohl arrived in the region on June 2 for a tour intended to further German economic cooperation, which is essential to bolstering the peace process. Underlining the importance of economic development, the German chancellor, who met with Israeli Prime Minister Yitzhak Rabin and Jordanian King Hussein on June 5 along the border in the Jordan River valley, said that "the people in this valley will only find peace if they can find jobs and a future."

“Let us put flesh on peace. Where there is water, there is life,” said Kohl. His meeting with the two leaders helped to confirm a commitment by Germany to aid in the construction of desperately needed water projects in that area. Kohl’s statement emphasized the role which Germany, through its economic weight and support for development projects in the region, can play in consolidating the “political” efforts being pushed by President Clinton and others to cement a lasting peace in the Middle East. The tour could help to pull the beleaguered peace process out of its current political, “and more important, economic” stagnation.

Kohl has repeatedly stated that his role will not be one of “political mediation,” but rather an effort to intensify Germany’s role and that of the European Union (EU) in contributing to peace through economic development, which is the real issue being ignored by most western politicians involved in the peace process. Kohl’s efforts contrasted sharply with those of British Prime Minister John Major, who visited the region earlier this year. The latter’s economic initiatives were limited to a few Land-rovers for the Palestinian Police and Thatcherite free-market economic advice.

Kohl arrived in Cairo on June 2 to meet with Egypt’s President Hosni Mubarak, who plays a central mediating role among all the parties—Israel, Syria, and the Palestinians. Talks focused on economic questions, including a two-hour meeting with the German industrial managers accompanying Kohl. Among the projects discussed were the building of a North African high-speed railway, which will extend from Tunis, Tunisia to Haifa, Israel. This proposal, which has already been endorsed by President Mubarak, is to be put on the agenda of the European Union’s Maghreb-Mediterranean “development conference” to be held in Barcelona, Spain next November.

Kohl’s next stop was Jordan, where, in the meeting with King Hussein and Prime Minister Rabin, he affirmed his support for \$600 million worth of water projects that are crucial for the transformation of the arid Jordan valley. The water projects being studied include construction of two dams on the Yarmuk River, and water desalination plants and pipelines to supply Jordan with more than 150 million cubic meters of water a year from Israeli sources. Most of these water projects were agreed upon in the Israeli-Jordanian peace agreement last November, but were waiting for financing.

Volkswagen, participating in Kohl’s entourage, announced a memorandum of understanding with the Israeli Dead Sea Work Co., a subsidiary of Israel Chemicals, to form a joint venture to build a \$600 million magnesium production plant near the Dead Sea, which is considered the biggest project of its type in the region.

### **The Middle East Development Bank**

Israeli Foreign Minister Peres pressed the German chancellor to support the establishment of a Middle East Develop-

ment Bank. Up to now, Germany has shared the skepticism of other EU countries.

The idea of such a bank is supported by the U.S. administration, and U.S. Treasury Secretary Robert Rubin told *EIR* at a Washington conference on June 6 that President Clinton will bring the idea to the Halifax summit of the Group of Seven on June 15-17. “There is not a lot of money involved, and I think it is a very, very important thing to do, and I have no doubt it will remain on the agenda in all of the meetings that our administration has with its counterparts around the world,” Rubin asserted.

Although Japan also supports the bank, the proposal faces strong opposition, led by Great Britain, from the European Union. Britain in turn has brought the rich Arab countries into line in opposing the bank. It is hoped by supporters of the plan, that if Germany would throw its support behind the proposal, the bank could become a reality by the end of the year. This could help the countries of the region, and especially the Palestinians, out of the financial shortages that hinder any plans to lift the population out of the miserable economic conditions.

### **Meetings with Arafat**

Kohl’s next stop was the West Bank. He met with Palestine National Authority Chairman Yasser Arafat in Jericho, and promised to extend help for the Palestinians to carry out infrastructure projects, sewage treatment, and housing projects and to contribute to projects that would be undertaken by Israel, Jordan, and the Palestinians. “We have given 10 million deutschmarks to the Palestinian authorities in this visit,” said Kohl, “but it is only a symbolic sum, and we hope that we will be able to give more in the future.” Despite the fact that this is a small sum compared to the \$50 million given last year, it should be mentioned that Germany is the biggest contributor to the Palestinians among the EU states.

The infrastructure projects that have been discussed between German industry managers and the Palestinians include roads, an airport, and a port on the Mediterranean in Gaza. The German Daimler-Benz group has agreed to conduct a feasibility study for the construction of a Gaza airport, a project worth DM 80 million (\$56.3 million). AEG and DASA will begin work on the project by the beginning of next year. Daimler-Benz had also agreed to start road-building projects in Gaza and the West Bank.

Kohl is said to be considering the transformation of the \$100 million of annual German compensation payments made to Tel Aviv for the victims of Nazism, into funding development projects that Jordan and the Palestinians could also benefit from. Prime Minister Rabin confirmed that his government is studying this proposal.

Funding for these projects could come from the Mideast Development Bank (with assets up to \$10 billion, as proposed by Foreign Minister Peres), if the idea is endorsed

by the great powers. The improvement in the infrastructure and industry in the Palestinian territories will enable the Palestine Liberation Organization and the population in the Gaza Strip and the West Bank to think seriously about peace. The Palestinians, especially in the wretched refugee camps of Gaza, have been suffering even more inhuman economic conditions in the last two years, since the signing of the Oslo agreement between the PLO and Israel. These conditions have placed the PLO and Arafat in a very weak position, since continuation of the peace talks apparently do nothing to improve the lot of the Palestinian population. The desperate situation has led to a sharp rise of terrorist attacks by certain fanatical groups in the occupied territories, who took advantage of these conditions to recruit young people.

Arafat recently complained that the donor nations, which promised to extend \$800 million a year to the Palestinians, have gone back on their promises. "We have ended with only \$150 million, of which we have only received \$25 million. They are trying to strangle us politically by depriving us of the economic means we need to carry out our responsibilities."

### **Israeli troop withdrawal planned**

A major step forward was taken by the Israeli government and the PLO, when Shimon Peres and Yasser Arafat announced in late May that the July 1 deadline will be respected, as a date to outline the final agreement on the Israeli Army's redeployment outside the Palestinian occupied territories on the West Bank. This will come in preparation for the election of Palestinian self-rule authorities, as stated in the Oslo agreement. The announcement followed a political and diplomatic crisis between Israel and all the Arab countries involved in the peace negotiations. The crisis was triggered by the Israeli confiscation of land belonging to Palestinians in east Jerusalem, and later the proposals made by Republican Party representatives in the U.S. Congress to move the American embassy from Tel Aviv to Jerusalem.

Despite the optimism that followed the Israeli-Syrian and Palestinian-Israeli revival of the peace negotiations, indications are that meeting the July 1 deadline will not be easy, and concern is being expressed about the fate of the peace process. This was clearly expressed by Chancellor Kohl in his talks with Jordanian officials, when he said, "Mideast peace depends on a few indispensable individuals. . . . It is 5 minutes to 12 o'clock here. Who knows what will happen if the politicians that are acting now, aren't in office any more?" It is not difficult to appreciate the chancellor's concern, given the time bombs remaining in the region, including the World Bank's continued sabotage of economic aid to the Palestinians and the continued presence of Jewish settlements in Gaza and the West Bank. These settlements form the basis for an extremist settlers' movement led by Ariel Sharon, former minister in Likud governments and the darling of the Anti-Defamation League (ADL).

## **Who is escalating tension in Kashmir?**

by Ramtanu Maitra

The burning down of the Sufi shrine Charar-e-Sharif on the morning of May 11, by a group of foreign mercenaries who infiltrated into the Kashmir Valley, evoked the usual bizarre responses from the authorities in both New Delhi and Islamabad. The incident, considered by some observers in New Delhi as a watershed in the past five and a half years of endless violence in the valley, has decidedly enhanced tensions between India and Pakistan, largely because of a string of injudicious and short-sighted statements issued at the highest political level.

Following the burning down of the shrine, Pakistan Prime Minister Benazir Bhutto, whose government has little or no direct involvement in the incident, accused the Indian Army of burning down the Islamic shrine, and gave the much-too-often-exploited populist call for a holy war against India. Indian Prime Minister P.V. Narasimha Rao, generally considered a cautious man, matched Bhutto's rhetoric, and blamed Pakistan for all that had happened in Kashmir. Indian Army Chief of Staff Shankar Roy Chowdhury drew flak from the parliamentarians in Delhi for "revealing" that India is engaged in an "undeclared war" against Pakistan.

### **Terrorists, Inc.**

What is significant is that all these powerful people who issued these statements, were way off target. It is being recognized by certain political observers in India, although they continue to remain silent lest they be accused of being conspiracy buffs, that the terrorists operating in Kashmir and who are killing, raping, and robbing the average Kashmiris—mostly Muslims, since Hindu pandits have long left the valley—at gunpoint, belong to an international terrorist network set up by the West in the 1980s under the rubric of fighting the Soviet infidels in Afghanistan. These terrorists were generously funded by the so-called free world during the Cold War.

A similar terrorist organization has also been set up near the southern tip of India in northern Sri Lanka. These terrorists, the Liberation Tigers for Tamil Eelam, got their start by battling injustices heaped upon them by the majority Sinhalese Buddhists for almost three decades since independence. Over time, the Tigers were corrupted and converted into drug-trafficking and arms-dealing merchants. In addition, the Tigers continue to maintain their violent, long-term plan to carve out a separate Tamil country, which would