

Europe Moves to Stop A New Mideast War

by Dean Andromidas

A major European-led effort is under way to avert a new Middle East war. Following the suicide bombing of the Dolphinarium nightclub in Tel Aviv on June 1, German Foreign Minister Joschka Fischer and United Nations Mideast envoy Terje Roed-Larsen convinced Palestinian Authority President Yasser Arafat to initiate a cease-fire, while also preventing Israel from launching a major invasion of the Palestinian-controlled areas in the West Bank and Gaza Strip. The European hope is, that if the situation does not deteriorate, these developments could lead to the implementation of the Mitchell Commission Report, which calls for a freeze on Israeli settlements and a return to the negotiating table.

This latest European effort to avert war comes as Western European nations, Russia, and leading elements throughout the Middle East have concluded that the Bush Administration's failure to back the Mitchell Report, and its continued support for Israeli Prime Minister Ariel Sharon, is dragging the Middle East into another regional war that could have catastrophic global consequences. Nonetheless, Europe knows that without a dramatic change in U.S. policy, its effort will not be sufficient to prevent a war. Only a European-American initiative would have enough leverage to avert a disaster.

The Bush Administration has felt compelled to go through the motions to back this effort, by sending Central Intelligence Agency director George Tenet to the region. Nonetheless, senior Israeli sources report that Washington is still engaged in a "Kissinger-type policy," by letting both the Palestinian and Israel sides "bleed until they do what Washington wants. The only problem is the entire region is going to blow up in their faces with a war that could go beyond the Occupied Territories to include Syria, Iraq, and even Iran."

The European mobilization began before the Dolphinarium bombing. Three days before the bombing, the Sharon government informed government leaders throughout the world, including Arafat, that it was on the verge of launching a military invasion of the West Bank and Gaza Strip, with the aim of crushing the Palestinian Authority and reestablishing a military administration of occupation throughout the Occupied Territories.

This was confirmed by Arafat on May 30, during his official visit to Belgium. In an address to the upper house of the Belgian Parliament, Arafat warned that he was in possession of a letter indicating that Israel was planning a major military operation against the Palestinian Authority to be launched

within 48 hours. In the days prior to this statement, Arafat had held meetings with European leaders, including the prime ministers of Sweden and Denmark, where he informed them of his fears.

According to the Israeli press, Israeli Mossad chief Ephraim Halevy, prior to the bombing, sent similar messages to his counterparts around the world, including UN representative Roed-Larsen, who was in Israel at the time, that Israel was gearing up to strike against the Palestinian Authority.

Thus, when German Foreign Minister Fischer arrived in Israel on the morning of June 1, he came carrying a letter from Chancellor Gerhard Schröder, warning Sharon to follow a policy of restraint.

But, after the bombing, Fischer, as the representative of the Europeans, along with UN envoy Roed-Larsen, backed by a big diplomatic effort by the Europeans, worked to convince Sharon not to launch his new Middle East war, in return for which, they would convince Arafat to call a cease-fire. The Europeans then dragged the United States in, because Arafat was in no position to call a cease-fire, unless he were offered a commitment to begin implementing the Mitchell Report. The Bush Administration, obviously reluctantly, agreed to send CIA director Tenet to the region, because he is the only U.S. official whom the Palestinians trust.

Although Fischer has left the region, European Union (EU) foreign policy official Javier Solana is on his way. Also, Swedish Prime Minister Göran Persson, whose country holds the EU presidency, announced that he plans to visit Israel on the weekend of June 9-10, and expects to meet Sharon and Arafat. Persson made the announcement after his meeting with French President Jacques Chirac in Paris.

These diplomatic efforts occur on the eve of the EU summit on June 15-16, which will be attended by President George W. Bush. According to Swedish Foreign Ministry officials quoted by Reuters, the EU and the United States are preparing to draw up the first-ever joint Middle East declaration, to be issued during the summit.

International Pressure Needed

Welcoming this European intervention, a commentary in the Israeli daily *Ha'aretz* by Gideon Samet said that both Israel and the Palestinians need international pressure to come to an agreement and avert war. Samet wrote, "No real movement can take place without Europe pushing for it and persuading the U.S. to deviate from its narrow clerkish approach to this important international issue. The stubborn can continue besmirching such international involvement as rude pressure, but it is vital for Israel's most important interests."

Samet continued, "European leaders have lately been expressing their disappointment in Washington's policies around the world—from China to the Middle East. They are bothered by the Bush Administration's complusive rejection of anything that smacks of Clinton, including the Clinton Plan. . . . This is the kind of international initiative that a reasonable Israeli government seeking a deal with the Pales-

tinians should be hoping for. . . . In other words, a necessary condition for ending the vicious cycle requires a dynamic European role in the region. The American administration alone is a fragile diplomatic reed.”

A senior member of the Israeli peace camp said that the Middle East is experiencing a “crucial moment,” in that the current diplomatic efforts could lead to a hopeful breakthrough. Nonetheless, he warned that “one bomb could change the whole situation.”

Israeli political observers all agree, that unless the United States joins this initiative, it will collapse. While the Europeans may have substantial influence over Arafat, they do not have the leverage over Israel required to stay the hand of Sharon’s mad drive for war.

Moreover, those who think that Arafat will be capable of putting an end to the Intifada by simply issuing commands, is ignorant of the Palestinian reality, and simply playing into the hands of those who want to crush him. The rage, disillusionment, and despair of the Palestinian population has created a situation where Arafat needs to secure tangible gains for his people. This means not just the implementation of the Mitchell Report and a freeze on settlements, but concrete assurances that the national aspirations of his people are within reach. With Sharon as Prime Minister of Israel, and the lunatic policies of the Bush Administration, the words of diplomats do not mean very much.

On June 6, *Ha’aretz’s* diplomatic correspondent described the warm nature of the Sharon-Bush relationship: “Sharon has come to regard congenial understandings reached with George W. Bush as a supreme Israeli asset.” Unless Sharon and Bush, along with their “congenial” relationship, are removed from power, the region will continue its vector toward war.

A change in Washington is crucial to open the way for a return to the perspective reflected in the economic annexes of the Oslo Peace Accords of 1993. The only hope for peace is one premised on massive regional economic development, especially water desalination and infrastructure.

Bombing Helped Sharon

For Sharon, the Dolphinarium bombing was like manna from heaven. The internationally televised bloody scenes on the Tel Aviv’s seaside promenade had the immediate effect of shifting international public opinion in Israel’s favor, at a time when Sharon was trying to bury the Mitchell Report, especially its call for a settlements freeze. Sharon knows that if the United States does not join the European initiative and pressure Israel to accept the Mitchell Report and implement it in good faith, the effort will suffer an early death. For Sharon, the bombing was a propaganda coup allows him to continue his war plans.

On June 5, in an interview with Russian NTV, Sharon launched a wild attack on Arafat, saying, “He is a murderer. A pathological liar. It cannot be that he will go all around the world with a red carpet. . . . He is not a head of state. There

were some people who expected that he would behave like a head of state, but he behaves as the head of terrorists and murderers.”

No sooner had the Europeans convinced Arafat to issue a cease-fire, than Sharon ordered that Arafat would not be given clearance to travel by helicopter between the West Bank and the Gaza Strip. The move is obviously aimed at humiliating Arafat and preventing him from going to Gaza to politically mobilize behind the cease-fire. The Israelis are also preventing Palestinian ministers and others from travelling freely between the West Bank and Gaza, as well as within the West Bank.

At the same time, Israel’s imposition of Warsaw Ghetto-type conditions are being intensified: In the two weeks before Dolphinarium bombing, the Israeli military divided up the West Bank into eight sectors corresponding to the eight major cities, and in effect laid siege to them, constructing bunkered roadblocks, earthen walls, and everything necessary to prevent Palestinians from moving between the sectors. The Gaza Strip has been split into three sectors, and in the city of Rafah, a ten-meter-deep trench is being dug along the Egyptian border, the full length of the city. The Israeli military is also considering establishing a kilometer-wide no-man’s land along the full length of the so-called “green line” that demarcates Israel and the West Bank. The zone will be patrolled by Israeli Army units with orders to arrest or shoot anyone found in the zone.

Israel has also closed all border crossings with Egypt and Jordan, cut off all imports and exports, banned Palestinian cars from all Israeli-controlled roads, and cancelled all Palestinian work permits. For two weeks, Israel cut all food and petroleum imports. The lifting of this sanction on June 6 was trumpeted by the Israeli government as a “confidence-building measure.”

These operations have nothing to do with stopping terrorists, but are being implemented now, to facilitate the implementation of the war plan which the European-led diplomatic effort postponed. The aim of this war plan is to crush the Palestinian Authority, reoccupy the West Bank, and create a flood of refugees across the Jordan River into the Kingdom of Jordan.

The plan, no doubt, envisions possible attacks on Syria and other countries in the region. Throughout the week of June 4, the Israeli Air Force conducted a massive air exercise involving almost its entire fleet.

The Cost of Eight Months of Conflict

After eight months violence, the death toll now stands at 480 Palestinians killed and nearly 16,000 wounded, and 110 Israelis and 13 Israeli Arabs killed and several hundred wounded.

Eight months of military blockade has led to a Palestinian unemployment rate of more than 40%, while 60% of the population lives under the poverty line. In monetary terms, Palestinian average income has collapsed from \$1,900 to \$1,150

per capita, while the economy has lost more than \$1 billion.

The Israeli economy, too, is facing dramatic losses. According to the Israeli Chamber of Commerce and Industry, it has lost more than \$2 billion as a direct result of eight months of conflict. The most dramatically affected sector is tourism, which has collapsed by more than 90%. This alone has led to unprecedented losses for Israel's El Al Airlines, which has suffered a 50-80% collapse in passenger traffic and losses of more than \$100 million for the first quarter. The collapse of tourism, including the closing down of 25 hotels, has hit Israeli Discount Bank, the country's largest, putting it near collapse. The real estate and related construction industry has also suffered. Exports to the Palestinian Authority, which had been about \$250 million, have ceased.

These losses come on top of the severe effects of the collapsing U.S. and European capital markets. This has not only hit hard Israel's high-technology sector, but Israeli banks, almost across the board, have suffered a collapse in profits. Israeli's overall economy in the last quarter of 2000 contracted by 12%, and the International Monetary Fund has revised its forecasts for annual growth down from 4.5% to 2%, while others are predicting no growth. Unemployment is at 10%, and continues to rise.

A recent poll showed that Sharon has only a 22% approval rating on the economy. It is feared that if the conflict continues, the economy will go into a tailspin.

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Drug Legalizer Soros Seizes Another Nation: This Time, It's Peru

by Sara Madueño and Manuel Hidalgo

Three years after it began, the operation launched by narcofinancier George Soros and the U.S. State Department to overthrow the patriotic government of Alberto Fujimori in Peru, and replace it with one of their own choosing, has concluded: On June 3, the mentally unstable Alejandro Toledo obtained 54% of the valid vote, against 47% for former President Alan García. Toledo will assume the Presidency on July 28.

A deciding influence on this outcome was the fact that Soros, the infamous mega-speculator who is one of the Queen of England's private bankers, had given \$1 million directly to Toledo—as exposed by his then-adviser Alvaro Vargas Llosa, and as admitted by Toledo himself—to organize the bloody “Four Corners March” of July 28, 2000, which was orchestrated to sabotage Fujimori's reelection and to present him to the world as illegitimate. But, why did Soros do this?

Nearly eight years ago, in September 1983, Soros's brother and partner, Paul Soros, published an advertisement in the *New York Times*, in which he defined the strategy of the Wall Street and City of London financiers: to annihilate the Armed Forces of Peru, thereby giving free rein to the Shining Path and MRTA narco-terrorists whom Fujimori had defeated. “When one can be certain that it [military influence on the government] is truly ended, investment values will rise 30, 40, even 50%. In Latin America, whenever the army as an institution is part of the power structure, all investments are discounted, because it introduces an element of instability. As an investor, one likes stability,” Soros wrote cynically.

Today, Wall Street is celebrating Toledo's victory with undisguised delight. The day after the elections, Peruvian bonds rose 8% in value, the greatest single-day increase since 1998, and the Lima Stock Exchange showed its greatest increase of the year, 3.7%. “The market will recover with this news” of Toledo's victory, an official with Banco Santander told Reuters news agency.

What these commentaries reveal, is the strategic reality behind the Peruvian elections: The world is facing a new “Grasso Abrazo”—the frightening term coined in 1999 to describe the mutual admiration pact between New York Stock Exchange President Richard Grasso and the financial chief-