

# Albright visits Mideast as economic crisis aids Netanyahu's bid for war

by Muriel Mirak-Weissbach

The trip to the Middle East by Secretary of State Madeleine Albright, has been rightly characterized as the last chance for restarting a process of discussions, which might lead to peace between Israel and the Palestinian Authority (PA). For the Israeli prime minister, Benjamin Netanyahu, who has become the greatest single obstacle to peace, the visit by the Clinton administration representative constitutes a threat to his strategy for war. Whether the visit yields positive results, will depend on Albright's ability to withstand Israeli blackmail, and her willingness to dictate terms of behavior to Netanyahu.

There are three avenues through which Netanyahu has sought to frustrate peace efforts, in the context of his strategy for war. Netanyahu was put in power in spring 1996, as part of a British-backed design to destroy the peace process, the centerpiece of Clinton's foreign policy efforts. First, he has systematically violated all the clauses of the Oslo Accords, signed in 1993 and 1995, by his predecessors, the late Yitzhak Rabin and Shimon Peres of the Labor Party government. Second, he has taken measures, such as the closure of the territories, designed to further degrade the economic, and therefore social, condition of the Palestinian people. Third, he has promoted violence, and been complicit in the orchestration of terrorist attacks, attributed to anti-peace elements within the Palestinian Hamas organization, or within Islamic Jihad.

At the same time, Netanyahu has exploited the terrorist assaults, to exert pressure on PA President Yasser Arafat to guarantee security for Israel's population. In sum, Netanyahu's strategy has been to create the conditions in which civil war will break out among the Palestinian population. This would provide the pretext the Israeli government wants, to redeploy the Israeli Defense Forces into the areas under PA control, in effect reoccupying the territories.

When the Oslo agreement was announced in September 1993, it was clear that it could succeed only to the extent that the hopes and aspirations of the Palestinian people were fulfilled, in terms of rapid, visible improvement in their daily life. This meant, that the economic annexes to the accords would have to be translated into actions quickly. Instead, un-

der British direction, the funds required to finance vast infrastructure projects, as envisioned in the annexes, were sabotaged; the World Bank ruled out all large projects, and choked the flow of funds to economic activities which would ameliorate Palestinian living standards. Thus, over the four years since the peace was signed, Palestinian living standards have plummeted. According to studies presented by PA Planning Minister Nabil Shaath at a conference in Gaza in August, unemployment had risen from 10% to 30% in the West Bank, among those of working age. Other sources put real unemployment at 60%. One-fourth of this population lives under the poverty level, defined at \$885 per year.

Such deterioration of economic conditions, turned the optimism which the overwhelming majority of the Palestinians had expressed in 1993, into pessimism, despair, and increasing animosity toward their declared political leadership. Increasingly, the population has turned its sympathies to the political opposition, Hamas, which also has an array of social structures providing health and educational services that are being denied because of World Bank sabotage.

There can be no doubt that Netanyahu has calculated the political effect of economic misery, on the Palestinian population. One extremely important development unfolded, just on the eve of Albright's arrival in Tel Aviv, which epitomizes this process.

## **Palestinian refugees targeted**

Given that the financing for independent Palestinian infrastructure has been blocked, a large percentage of the population — about 70% in Gaza — must depend on humanitarian aid agencies for their survival. The United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) had announced on Aug. 19, that it would reduce services provided to Palestinians throughout the region. The reason given, was, again, lack of funds. UNRWA Commissioner-General Peter Hansen has stated, that the agency was faced with a \$70 million deficit for 1997, corresponding to the gap between its budget, as approved by the UN General Assembly, and its 1997 income. Although UNRWA instituted austerity measures, it still had a hole of \$20 million to

fill in August. According to an UNRWA press release of Sept. 10, "The situation had forced the agency to announce a series of emergency measures, including a review of school charges, a freeze on the recruitment of 249 additional teachers needed agency-wide to cope with the growth in the student population, a 15% reduction in international staff, the discontinuation of the agency's portion of university scholarships, and a freeze in hospital reimbursements for November and December 1997." As a member of the Palestinian Legislative Council explained to *EIR*, this meant that classroom size was increased to 60 pupils, 170 teachers had been fired, pupils were supposed to pay a fee for attending school, patients in hospitals would have to cover all costs, and hardship cases dependent on food supplies would be cut off. The Palestinian Legislative Council member added that, unless this were reversed, the Palestinian population would explode.

On Sept. 9, therefore, Palestinians in Gaza, the West Bank, as well as in refugee camps in Jordan, Lebanon, and Syria, staged strikes, to draw attention to their plight. At the same time, a meeting was taking place in Amman, Jordan, of UNRWA officials and representatives of the PA committee on refugees. Due to the protests, representatives of the donor countries attending were forced to take emergency measures to manage the crisis. According to an UNRWA statement released after that meeting, several donor countries quickly pledged more funds, or arranged to disburse them earlier than scheduled, to make up for the \$20 million missing. Japan said it would pay its annual \$12.6 million before year's end, instead of in 1998, as in accordance with the Japanese fiscal calendar, and would provide additional amounts for refugees in Lebanon; the United States, which is the largest cash donor to UNRWA, "announced \$7.5 million in additional funds for the agency in 1997, including \$1.5 million for emergency assistance in Lebanon." Germany and the Netherlands pledged about \$1 million each, and Italy and Spain, a bit less. As a result of this eleventh-hour action to pull together funds, Hansen announced that some of the announced cuts would be restored: pupils would not have to pay to attend classes, and hospital reimbursements would be made. But the staffing cuts, including teachers, would not be changed.

Clearly, what happened in Amman, was that those governments seriously committed to Middle East peace, emphatically the United States, rallied to pull together the funds, because they knew that if they did not, chaos would break out, just as Albright was to arrive in the region.

Nothing could have suited Netanyahu's purposes better than that. In fact, there is another facet of the UNRWA case which merits attention, in order to appreciate the manner in which the Israeli government is manipulating economic factors. According to well-informed Arab sources, Netanyahu was counting on a financial collapse of UNRWA, and subsequent phasing out of its activities. Were this to be the case, the Palestinian refugees, now living in camps in Lebanon and Syria, could lose their status as refugees, and become charges

of the states where they are located. This would radically alter the parameters of any discussion of their right to return to Palestine, an item which is on the agenda of the final status talks between the PA and Israel.

### **The security fraud**

Surely, the most insidious tool in the hands of Netanyahu to wreck peace, has been the security issue. Promptly following each suicide bombing in Israel, Netanyahu has turned his guns on Arafat and on the militias in southern Lebanon. Thus, after the Aug. 30 Jerusalem bombing, Israeli units entered Lebanon, to place road bombs, which killed members of the Hezbollah deployed there. After the Sept. 4 Jerusalem bombings, another operation was launched in Lebanon. This time, however, it backfired, as the 12-man elite commando unit was surprised and killed by mortar fire.

After each assault against Israeli civilians, Netanyahu has declared Arafat responsible, and has demanded that the Palestinian leader act, through widespread repression and preemptive arrests, to guarantee that no such actions can be planned in the future. The premise on which Netanyahu bases his demands, is that any suicide bomber must have originated from areas in the West Bank or Gaza under the PA jurisdiction; ergo, Arafat is responsible, if they blow themselves up in Jerusalem.

In the case of the two recent bombings, PA experts have determined that the suicide bombers in fact travelled to their destination from abroad. An aide to Arafat, Tayeb Abdel-Rahim, said on Sept. 9 that the PA had proof of this from "foreign sources." He said, "The Israeli government and intelligence know the truth and apparently they are hiding facts because they want to embarrass the Palestinian Authority worldwide." Indeed, Israeli authorities had issued a court order the previous day, banning publication of any details related to the bombing, and forbidding any press from approaching the bombing site. Abdel-Rahim said that the information he had, indicated "that the explosives used in those bombings were made from RDX and material which is not revealed by X-ray," i.e., that the assailants could have eluded airport security.

This did not prevent Netanyahu, however, from seeking to define the "security issue," as the sole agenda item in his talks with Albright. In remarks to the press prior to their meeting, and during a joint press conference following it, Netanyahu hammered away at one theme. Lying, that the "essential premise of this [Oslo] agreement . . . was based on a Palestinian commitment to wage an unrelenting war against terrorism," Netanyahu reiterated his demand that Arafat "wage war against the terrorists," and "dismantle their infrastructure." In short, that Arafat should take military actions against persons and institutions which Israel says are sympathetic to terrorism. Were the Palestinian leader to attempt to comply, it would ignite a political and military confrontation in the PA-controlled areas, leading to civil war.