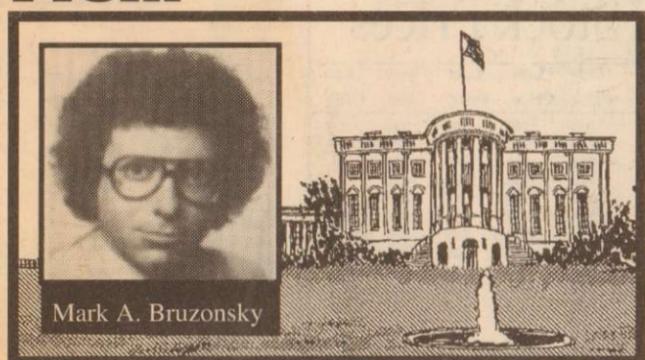


A very candid conversation with Israeli reserve General Matti Peled

NO SOLUTION

From



Mark A. Bruzonsky

Washington

The general sees revival of 1960s

BRUZONSKY: You've just been explaining to me -- but I'd like it in your own words again -- that there isn't a chance of Israel making any real concessions in the so-called "peace process" unless it is really forced to. So, what is your vision of what is to come in the next months.

PELED: Well, you see, for Israel to change its policy it must be coerced in a very brutal way...

B: Brutal way?

P: Yes, Cutting of aid, political pressure, limiting commercial relations with the European market. Now I don't see who is going to do it. In my view the United States would like a low level of a going on conflict...one which can be controlled.

This is the best situation for the United States. In this case everybody wants the United States; everybody appeals to the United States for help, for financial help, for political help. The United States is welcome everywhere because of the existence of this conflict which goes on.

But the United States would like the conflict to be controllable; kept on a level that doesn't create too many difficulties. And therefore, I do not believe that the United States is going to really pressure anyone in this region to agree to a real solution of the conflict.

B: But would you expand on that. Isn't the alliance that the US has now in this region...the Americans...want to continue to control the power and the money of the region, aren't really all the allies now even if for totally different reasons?

P: Yes, right. They are allies, but allies that are not prepared to go beyond a certain point. Saudi Arabia is not prepared to participate in the currently discussed peace conference. Israel is prepared to cooperate with any peace conference. But all this doesn't interfere with the basic attitude which is 'OK let's cooperate in maintaining the conflict unresolved'.

B: But I was suggesting that the Palestinian conflict is really now a sub-theatre for the Americans. The real issue is the resources of the Gulf....

P: Right....

B: And the geostrategic and geomilitary situation in the whole region. Cairo is in the American camp; but Egypt is poor. Saudi Arabia and Cairo together, maybe even with Syria cooperating, make the Arab World part of the American system. The Israelis fit into that system because they have the largest military force and because they have the political lobbying capability in America which the Arabs don't have. So what I'm suggest-

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■ *I think we'll start seeing 'terrorism' just to remind everybody.*

■ *The Americans 'invest' in Israel \$2 billion and they get orders for \$20 billion as a result!*

■ *Public opinion is so easi-*

Mattiyahu Peled -- whom everyone knows simply as "Matti" is a rather unique Israeli and a very unique personality.

From an army career in which he rose to serve as a general on the Israeli army general staff during the 1967 War and then to be the first military governor of the Gaza Strip, at mid-life Peled then turned to Arabic literature and politics.

Peled still teaches at Tel Aviv University.

But it is his political evolution -- in and out of the Knesset advocating a Palestinian state, championing the PLO, and leading the formation of Israel's first Jewish-Arab party -- for which he is

best known.

Today Peled is a very independent analyst of the Arab-Israeli conflict and regional events. This in itself makes his opinion and insights of special importance for his mature independence makes it possible for him to speak his mind as few are really free to do.

But Peled is also one of the most experienced, well-travelled, and seasoned senior analysts in the Mid-east region today; as well as one of the most honest and insightful personalities on any side of the line.

Peled is also a personal friend and confidant whom I have known for at least 15 years. I have a special admi-

ration not only for his insights; but for his courage and his political as well as intellectual honesty.

This conversation took place at the outdoor terrace of Jerusalem's Notre Dame Hotel just across from the Old City walls. Fittingly, and quite literally, we spoke almost exactly on the old Green Line that still divides the city between Jewish and Palestinian parts.

In this first part of the discussion Peled outlines his long-considered view that the Israeli-Palestinian conflict is purposefully kept at a slow burn because it really suits the interests of the US as well as some of the major regional players.

A STATE YET TO APPEAR IN THE REALM OF MINDS

fore anyone will seriously want to resolve this problem.

P: Exactly. I'm sure that at a

B: Shultz.

P: Yes Shultz, and then Baker. All of them going through

cans need a way to get the money that the money will come with- money back from the oil... about having to do all these con- So how are we going to get concessions because the greater

ing, and asking you about, is that the Palestinian issue is not really the central issue anymore, but rather a sub-issue that has to be contained, kept from exploding, but none of these major parties really expect it to be resolved largely because nobody can get the Israelis to agree.

P: I'm not sure that they would like to get the Israelis to agree. As long as Israel is getting \$3 billion a year from the United States, this gives the excuse for Egypt to ask for something similar.... I mean the fact that the conflict

is unresolved serves so many important interests, particularly the American, that I don't see anyone who really wants to eliminate the conflict.

Imagine a common market

Public opinion is so easily manipulated.

in the Mid-east, like in Europe. Now who would benefit from that, and who would oppose it?

B: A lot of people right here in the Mid-east region.

P: Correct. But who cares

about the people here?

B: So, you're suggesting if I hear you right, that the Palestinians will have to do something to make American and other interests suffer be-

P: Exactly. I'm sure that at a certain point, if there will be no change in the Arab attitude towards the Palestinians, if the Palestinians remain so rejected by the other Arabs, I think we'll start seeing terrorism and oilfields on fire just to remind everybody.... Like in the 60s, the decisions of the Arab countries to contribute money to the PLO were not taken because of love for the Palestinians but because the Palestinians were a threat.

B: But after this last war, and after all the false threats, who believes anymore that the nationalist or radical Arabs have such power?

P: Well...until the moment when the pipelines will start burning, then everybody will believe. I don't think that the PLO will do it willingly....

B: Well, not this PLO, Arafat's PLO....

P: But if they will be pushed to the corner, then they will have no choice.

B: But the American game is not to push them to a corner, but to keep them dangling on a string.

P: OK, keep them on a string, keep the problem unresolved, but keep everybody expecting that something is going to happen.

You see, when I look back at the situation. There was Rogers, then Kissinger, and then Cyrus Vance, and then who?

er. All of them going through the same motions trying to find a solution but failing.

B: But none of them was really trying to find a solution. All of them simply trying to make America a little better and keep things contained.

P: This is my belief, of course. Because all of these people are the people that enjoy success, and yet they allowed themselves to be seen as unsuccessful, as failures. So this is a system, a method, of keeping the conflict alive but controlled. And the great crime committed by Saddam Hussein is that he went beyond certain limits which the US would not accept; and so he is paying the price.

B: But there's always been the other theory that the ruling Arab parties would get tremendous credit historically from the Arab peoples if they could bring about a just peace.

P: But if there were peace then...they will be dispensed with.

B: So the idea that they would get a lot of credit by bringing about a peace would only be for a short time and then after that who would care about them.

P: After that new elements would come up, a new bourgeois class will develop....

B: Beyond that the Ameri-

money back from the oil.... So how are we going to get the money back if we don't have them buying all these arms.

P: Exactly. And the "investment" in Israel of close to \$2 billion a year generates order for 10 times this amount. The Americans "invest" in Israel \$2 billion, and they get (armament) orders for \$20 billion as a result! So I really don't see any real interest in solving the problem.

Now Israel objectively has an interest in solving the problem because of the immigrants coming from the Soviet Union. But Shamir is hoping that when all things will be considered properly the United States will find it in its own interests to loan Israel another \$25 billion in order to absorb these Jews.

B: 25! They are only asking for 10.

P: But the calculations were already made, that it will cost 25.

B: And the American Congress is going to accept this!

P: Well, if the alternative will be to really coerce Israel to agree to a final settlement to the conflict, maybe yes.

B: And to get this money you think Shamir might make what he would call a tremendous concession and suspend settlements in the territories?

P: No.... No. His scenario is

out having to do all these concessions because the greater interest of the US is to keep the conflict going on.

B: But in the worst case he's make that temporary concession like Begin made at Camp David.

P: Yes, but he's not likely to do that. I don't see any sign that he's ready to do that. He reads the American interests very clearly. He knows that the Americans are not going to use their tremendous power to force a settlement, which they can do.

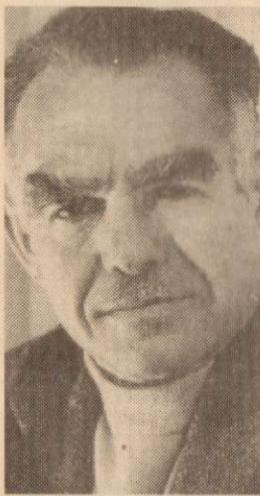
B: But there's another angle to this, and that's public opinion. Public opinion doesn't think in these terms.

P: Public opinion is so easily manipulated. You see public opinion only now begins to think in America whether it was justified to demolish the entire civilian infrastructure in Iraq.... Public opinion is easily manipulated.

B: And why do you think that the geostrategic reasons are that Iraq had to be destroyed; and wasn't it really American and Israel together that decided this?

Next Saturday:
Peled's unusual,
at times startling
views about the
recent Coalition
War against Iraq.

Shamir joins ranks of actors



A US body-building magazine has named Israel's Prime Minister Yitzhak Shamir, 75, its 'man of the year', an Israeli spokesman, Avi Pazner said last Monday, adding however that the award was probably more for what he called the diminutive Shamir's 'prowess in politics' rather than athletics.

Israel radio said the award had gone previously to actors Clint Eastwood and Johnny Weissmuller, Ronald Reagan and -- in 1985 -- then-Israeli prime minister Shimon Peres.

Dan Lurie, publisher of *Muscle Training Illustrated*, told officials he would present the award next week to Shamir, leader of Israel's extremist Right-wing government.

Pazner said Shamir was chosen for 'showing restraint' during the Coalition War against Iraq.

"The prime minister is really a sportsman who to this day walks a number of times a week at a clip so fast that his guards find it hard to keep up," Pazner said.

"But I believe it is not because of his athletic prowess that he received this prize; rather because of the ... restraint he showed." --REUTER

By Andres Wolberg-Stok

HIGH-drama EC peace missions to Yugoslavia have given ammunition to both camps in a dispute over whether the European Community can or should forge a common foreign and security policy.

For federalists like Italy, the speed with which an EC summit agreed to send three foreign ministers to stop clashes between Yugoslavia's federal army and breakaway Slovenia on Friday was a foretaste of the "superpower role" that could lie ahead if the bloc develops a common foreign policy.

For sceptics like Britain, the bottomline is exactly the opposite -- there is no need to rewrite the EC's founding treaty because, when the will

Yugoslav crisis sharpens fight over EC foreign policy

is there, the bloc can already apply all the diplomatic leverage it needs.

The arguments of both camps are distorted by the fact that the Yugoslav crisis boiled over just in time for a long-planned EC summit on Friday and Saturday.

The 12 EC leaders, wielding ultimate power to decide for their countries, were able to spend hours around a table discussing how best to respond to the crisis.

Their foreign ministers were also there, and a

'troika' of Italy's Gianni de Michelis, Luxembourg's Jacques Poos and the Netherlands' Hans van den Broek left the summit table together to begin a 12-hour mission to Yugoslavia.

Although both camps were wary of overstating what the ministers had achieved in Yugoslavia, federalists said the EC would have flexed its muscles even better under proposed procedures contained in a draft revision of the community's founding treaty aimed at building a

political union.

"It's the first step of a common foreign policy," Jacques Delors, president of the EC's executive European Commission (cabinet), told reporters.

Britain predictably took the opposite view. "Clearly we couldn't have acted as we did...if we had that (proposed) procedure," officials quoted British Prime Minister John Major as saying on Friday.

Mechanisms for common foreign policy in

the latest treaty draft, after six months of talks among member states, would involve the commission as well as national governments and would require the European parliament to be kept informed of cases like the fighting in Yugoslavia, the draft treaty states that "a crisis mechanism shall be put in place to cope with urgent situations", but does not elaborate.

A major issue dividing Euro-sceptics and federalists is a treaty provision requiring unanimity among member states for the broad outlines of

foreign policy but leaving the door open to majority voting for their implementation.

Critics say any member state outvoted by its peers would unflinchingly be the one with the strongest objections to a given move, and that it would probably not comply with a decision that went against its perceived interests.

Even before the full outcome of a second trip to Belgrade by the EC ministers on Sunday became clear, Germany -- the world's top exporter to Yugoslavia -- appeared to be going its own way.

Although an earlier EC decision to cut off all aid to Belgrade remained in limbo, Chancellor Helmut Kohl warned on Monday that Germany would freeze all its economic assistance if the crisis was not solved peacefully.

In an example of the difficulties of coordinating foreign policy, the decision to suspend the \$900 million in EC aid was announced at the summit by Germany, the Netherlands and Britain while Italy and Spain were still saying no firm stand had yet been taken.

In their six months of negotiations so far on economic, monetary and political union, the EC states have toned down plans earlier pushed by France and Italy for a common defence role.

Delors and others argue that, in the final analysis, a common foreign policy cannot be enforced without the potential to use military force if needed.

Opposition by Britain and the Netherlands, which fear that the creation of a purely European defence structure would antagonise Washington by chipping away at Nato, has whittled down these plans to mere references in the treaty to a future defence role.--REUTER

Peace plan
is breathing
space but it's
not a lasting
solution

By Timothy Heritage

A FRAGILE peace plan worked out on Monday by Yugoslavia's rival republics may slow the country's slide into civil war but cannot prevent its eventual break-up, diplomats and local observers said.

"Yugoslavia as we know it is dead. The last few days were the final nail in the coffin," a western diplomat said.

Yugoslavia, a Balkan federation of six republics and two provinces, has been plunged into its worst crisis since World War II by fighting between the federal army and local defence units in Slovenia, which declared independence last week.

Yugoslav leaders and a European Community peace mission on a lightning visit said early on Monday they had worked out a deal that could pave a way to peace.

They secured the election of Croatia's Stipe Mesic as state president, breaking a six-week deadlock prompted by fierce rows among the country's rival factions led by Serbia.

They won assurances by Slovenia and the neighbouring republic of Croatia, which has also declared independence, that they would suspend for three months the implementation of moves to break ties with the rest of the country.

"The whirl of the Yugoslav crisis took on a somewhat more promising character last night," the main federal newspaper *Borba* said.

But doubts remained over two key issues: whether the army would return to barracks as Slovenia demands, and whether it would

carry out an agreement to let the Slovenes control their own border points, the scene of bitter battles in recent days.

"No one has control of the army. If there is no control of the army the agreements have no meaning," said Slovenian President Milan Kucan.

Kucan made clear that his north-western republic of fewer than two million people, bordering Italy, Hungary and Austria, had no intention of giving up its independence drive but would just wait three months to push further ahead.

"We have a breathing space, but there is no doubt that Croatia and Slovenia are gone. The last few days have proved to them they can no longer stay in Yugoslavia," a diplomat said.

Slovenia and Croatia were long

part of the Westward-looking Austro-Hungarian empire, while the rest of the country was part of the Ottoman empire for 500 years.

The two rebel republics are the most westernised and wealthiest regions and say the rest of the country slows their economic development.

At least 20 Slovenes have been killed by federal troops since last week's declaration of independence. "The Slovenes are more united than ever after the army action. Now their people have died for independence, they are not going to give it up," an envoy said.

"The Croats will also gain from the sympathy in the West for the Slovenes after their resistance against the army," another said.

Mesic's election is expected to ease tensions somewhat but his