

Europe seeks greater role in Middle East

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The assassination of Popular Front for the Liberation of Palestine leader Abu Ali Mansour and the subsequent invasion of Palestinian controlled areas show the continued push by Israel for war. It took place within days of the announcement by Germany that it would host talks between Yasser Arafat, Chairman of the Palestinian Authority (PA) and Shimon Peres, Israel's Foreign Minister, confirming a pattern whereby Israel's Prime Minister Ariel Sharon responds to every peace initiative by stepping up the provocations against the Palestinians.

The talks appear to be doomed before they begin. Sharon has no intention of making any of the concessions necessary for peace to be restored. He continues to insist on a complete seven-day cease-fire before he will consider implementing the Mitchell Report that calls for an end to the violence and a halt to the expansion of Israeli settlements in the Occupied Territories. This demand makes a nonsense of Peres' proposal for a so-called "gradual cease fire", in which Israel would lift closures on Palestinian areas that are deemed to be quiet and allow Palestinian workers from those areas into Israel in return for PA cooperation in preventing further violence. But even if it was implemented, the proposal would amount to a strategy of divide and rule, designed to further exacerbate the political and social tensions among the Palestinians.

The Palestinian Authority dismissed the Peres initiative as a gimmick to distract attention from action on the ground. Saeb Erekat, Palestinian negotiator, said, "We are not against dialogue but we are sick and tired of this double language". Palestinian Information Minister Yasser Abed Rabo clearly understood the talks were a non-starter and anticipated further provocations from Sharon when he said, "Whenever Peres asks for a joint meeting with our people, we witness more escalation by Israeli occupation forces against our people. Those who are naïve believe in a possible breakthrough via Peres—in the final analysis, it will be Sharon who decides."

Despite these inauspicious circumstances, however, the fact that the Europeans in general, and Germany in particular, should have intervened to try to broker some agreement and prevent the slide to an all out war, is something of a political watershed.

German Foreign Minister Joschka Fischer made it quite clear that the Europeans were seeking to assert their interests in the Middle East and to challenge the United States' domination over the region. In his talks with Avraham Burg, the Speaker of the Israeli Parliament who is seeking to become the next leader of the Labour Party, Fischer said that the time had come to establish a wide international peace coalition that would include Europe and Russia. The Israeli daily paper, *Yediot Aharonot*, also reported that Fischer wanted to get support for \$1bn in grants to the

Palestinians, but this was denied.

Direct intervention by the EU into what has largely been seen as the US's bailiwick undoubtedly reflects the European powers' frustration with their reliance upon the US and concern that its ever more open support for Sharon's warmongering is threatening their own vital interests in the region. It further indicates how anxious the European powers are to break from US tutelage and once more become an independent political force in the Middle East.

The desire of the Democrats under President Clinton for a settlement in the Middle East never signified an abandonment of Israel as the US's main ally. But under President George W Bush, the Europeans see an Administration uninterested in reaching any kind of settlement and committed to supporting Israel as its "strategic asset" in the region through thick and thin. Israel's military and economic offensive against the Palestinians, its murderous policy of assassinations, and its reoccupation of the West Bank and Gaza could not have gone ahead without the complicity if not outright support of the US. Therefore the European powers, fearful that the Israelis will provoke an all out war in the Middle East that will destabilise the reactionary rulers upon whom their corporations depend for oil and profits, have launched a last ditch attempt to salvage the situation.

When the Madrid talks—the first initiative to find a resolution to the conflict in more than a decade—held under the auspices of America and Russia reached a stalemate in 1991, it was the Norwegians who secretly hosted the second track, informal talks between the Israelis and Palestinians in 1992 that were to result in the 1993 Oslo Accord.

The Clinton Administration soon seized the initiative back from the Norwegians and hosted a series of meetings at Wye River and Camp David, aimed at bringing about a final settlement on terms acceptable to Israel and the US. It was largely through the insistence of Secretary of State Warren Christopher that Israel and Jordan institutionalised their longstanding, pragmatic *modus vivendi* by signing a formal peace treaty in October 1994. He also secured the lifting of the secondary Arab boycott against Western corporations that traded with or invested in Israel.

But with all the official barriers to trade with Israel now down, the European powers exploited the new trade opportunities with Israel. At Barcelona in 1995, they negotiated a new European-Mediterranean Partnership agreement with twelve countries bordering the southern and eastern shores of the Mediterranean, including Israel and its Arab neighbours. The Barcelona partners soon became enmeshed in a network of multinational committees devoted to joint programmes in agriculture, industry,

communications, and transport.

The Europeans clearly saw the agreement as an alternative to America's four decades-long role as guardian of Western interests in the Middle East. While the agreement was not designed specifically to deal with Arab-Israeli relations, it came to provide an important channel through which the Europeans could assert their interests. For example, it provided the only mechanism for the Israelis and Syrians to meet and embark on the 1995-96 talks.

Following Oslo, both Yitzhak Rabin, the Israeli Prime Minister, and Yasser Arafat sought economic assistance for the Palestinian Authority from the European Union—vital if the Palestinian Authority was to get off the ground. The EU Commission proposed a \$600m aid package for the Palestinians and a further \$104m grant to underwrite the new Palestinian police force. The EU funded the first Palestinian “national” election in 1996. It also provided tens of millions of dollars to Jordan in the aftermath of the Gulf War to cope with the influx of Palestinian refugees from the Gulf.

In 1995, Arafat and Peres signed the Paris Protocol, an agreement under EU sponsorship, authorising Palestinian exports to Europe on the same basis as the EU-Med agreement. Three years later, the EU declared that the trade concessions for Palestinian commodities applied to those goods produced for Palestinian, not Israeli profit. The latter would not be accepted into the EU without duties under either the Palestinian or Israeli category. In practice, this was no more than a political gesture to demonstrate the EU's even handedness towards the two parties and was never implemented.

The greater willingness of the EU to deal with the Palestinians in no way indicates animosity towards Israel. Indeed Israel's growing importance to the EU can be seen from the following trade statistics. The EU's imports from Israel grew from \$526 million in 1976 to \$6.6 billion in 1997. During the same period, its exports to Israel climbed even faster from \$1.3 billion to \$14.8 billion. While both Israel and Palestine's agricultural exports have suffered from the competition with the EU's Mediterranean members and associate members that has undermined their agricultural economies, Israel has become an important market for European goods.

By the mid-1990s the Europeans began to feel that they had made the necessary down-payment to become a power broker in the region. Following French President Chirac's 1996 visit to Israel, the EU appointed its own special emissary to Israel for Middle Eastern Affairs—a euphemism for the Israeli-Palestinian negotiations.

Within the EU, it was Germany that had become Israel's major financial backer, following France's short-lived special relationship with Israel in the 1950s. Israel's first Prime Minister, David Ben Gurion, negotiated a \$125 million annual reparations package with the West German government as compensation for the suffering caused by the Holocaust and an aid package that was to bankroll the Zionist state until the Americans became its sponsor in the mid-1960s. During the Iran-Iraq war in the 1980s when Israel supplied Iran with advanced weaponry in breach of international agreements, it was Germany that made its harbours and airports available to the Israeli supply effort.

Israel was able to turn the build-up of Germany's arms dealing in the Middle East to her own advantage with the start of the Gulf War. During the Allied bombing campaign against Iraq in 1991, it became clear that between 1982 and 1989 West German manufacturers had provided Iraq with weapons and related technology worth \$700 million. The German government had turned a blind eye to a weapons export program that had transformed the Bundesrepublik into Europe's third largest arms dealer after the Soviet Union and France. One company alone, Thyssen Rhein Stahl Technik, had constructed Iraq's extensive chemicals weapons program, upgraded Iraq's Scud missiles, and constructed an elaborate bunker system to protect Iraq's military control centres and political leadership.

Within hours of Iraq's Scud missiles falling on Tel Aviv, Israel sought compensation directly from Germany, famously telling Chancellor Helmut Kohl, “Mr Chancellor, three concepts can never be linked with one another: Jews, Germans and poison gas”.

Kohl made an immediate commitment of DM250 million for reconstruction, and later raised it to DM1 billion. Soon afterwards, the Israelis went to Germany on a shopping spree that far outweighed the cost of repairing the damage. They sought to obtain the two submarines from German shipyards, which they had been forced to cancel several years earlier due to lack of funds, as a gift. Not only did the Kohl government offer to provide the two submarines for free, but it also agreed to fund half the cost of a third.

Germany enlarged its network of research and exchange projects between the two countries. Germany's three political parties, its trade union federation and some eighty German municipalities, funded exchange programs that brought Israelis to Germany.

The signing of the Oslo agreements vastly accelerated Germany's investment and tourism in Israel, although well before then Germany had become Israel's second most important commercial partner and second most important arms supplier after the US. Now Daimler-Benz, Siemens, Volkswagen, Henkel Detergents and Cosmetics Corporation made multi-million dollar investments in Israel. Schneider Optical Works and Frankfurt's FG Bank were just two German corporations that went into joint ventures with Israeli corporations. Israel's principal attraction was its high tech industry and educated workforce. Furthermore, by 1996 some 200,000 German tourists were visiting Israel annually. Today Germany is widely viewed as the most pro-Israeli of the European powers.



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