

Peres, Arafat push Mideast 'Marshall Plan' at Davos

by Joseph Brewda

Israeli Foreign Minister Shimon Peres and Palestine Liberation Organization Chairman Yasser Arafat held marathon talks at this year's annual World Economic Forum in Davos, Switzerland. Speaking on Jan. 30 to 1,000 leading international businessmen who attended the forum, Peres and Arafat forcefully reiterated their urgent call for a "Marshall Plan" to economically develop the Middle East. Although they received an unusual standing ovation, there has been virtually no reportage of their call; newspapers have instead concentrated on the two leaders' discussions relating to hammering out secondary details of the Israel-PLO accords.

The reason for the virtual blackout is not hard to find. Leading establishment circles in London, especially, as well as in Washington and some other European capitals, remain strongly opposed to the Mideast peace accords that were so dramatically announced on the White House lawn last September. Both the opponents and the supporters of the plan know that unless there is massive infrastructure investment in the region, to the tune of tens of billions of dollars, there is no hope for peace in the Middle East. It doesn't much matter what the size of the Jericho entity will be, or who controls the border crossing; the peace plan stands or falls based on economic development. It is precisely for such reasons that recently released political prisoner Lyndon LaRouche, the intellectual author of the Marshall Plan conception, has been strongly calling for such a plan since 1975.

Economics is key

"The most important levers for changing the situation are justice for all and a strong economic platform on which to build the future for our children and our childrens' children," Arafat told the gathering, with Peres at this side. "I would propose the idea of a new Marshall Plan for our area of the

world. Stability is not possible without a strong economic platform. Today in Palestine, as I told President Clinton during our first meeting, we have unemployment of 58%. Do we want another Somalia or do we want a Singapore in the region? We have the highly educated, skilled manpower with which to transform the region, but we need your help."

"Extremists thrive in a climate of poverty," Arafat cautioned.

Arafat described the Middle East region as "the strategic link between Europe, Africa, and Asia. The area called Palestine is the central link between East and West, and it is the cradle of the world's three main religions—Christianity, Islam, and Judaism. We must give the people in our region hope that we will build our economy. We want to build an economy based on open, private markets. To give merely an indication of what we are looking at, our [PLO] plans foresee the need for net investment of \$13.5 billion per year for seven years. Forty percent of this amount would go to build public infrastructure and to rehabilitate necessary public services. The remaining 60% would go to private sector industry investment."

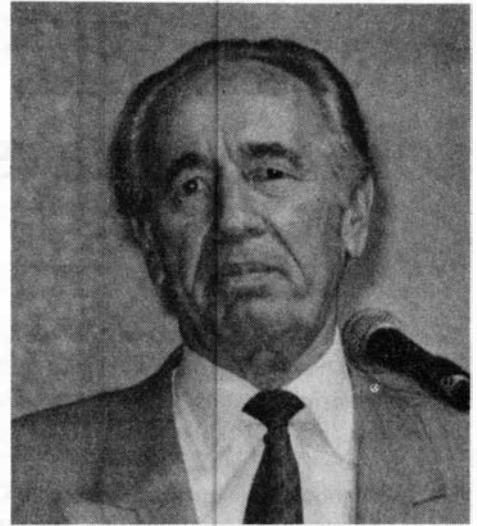
'Drive the desert from the land'

For his part, Peres emphasized that "we must offer our children a better economic chance." Peres, who has called for a \$50 billion regional Marshall Plan since 1986, told the forum: "Over the last decade, \$1 trillion was spent by the nations of the Middle East on armaments. If we devote only one-half of this it can change entirely the Middle East economy. Let us turn the Middle East into a land where water flows, land is fertile; let us take the desert from the land, the salt from the water, and the violence from the people."

In related comments made over the last months, Peres



Yasser Arafat (left) in Bonn, July 1993, and Shimon Peres in Jerusalem, November 1993. The two statesmen received a standing ovation at the Davos World Economic Forum, but when are the business and political leaders who applauded going to cough up the funds to back a Mideast development plan?



has called for nuclear-powered desalination of seawater for the region, the construction of a Mediterranean Sea-Dead Sea canal, the building of a major sea port at Gaza, and other necessary infrastructural developments.

Peres announced to the forum that both sides had made a preliminary agreement to convene a conference in Amman, Jordan, possibly as early as February, to focus on the economic development requirements of Middle East peace. "Europe has become so productive that today all you can produce is unemployment," Peres said in a chiding tone. "Export your unemployment to us and help us build new markets. Our average annual income in the entire region is some \$1,000 per capita. If we are able to increase this in the near term to \$3-4,000, this would go a long way to lessen the pressures for violence in the area. We both suggest OECD governments give their industries export credit guarantees, and encourage their industries to come into the region and select regional projects that are suitable. If you will help us to prosper economically, peace will endure forever."

Success is possible

Commenting on Peres and Arafat's remarks, LaRouche emphasized that the peace plan can succeed. Speaking on the "EIR Talks" radio interview on Feb. 2, LaRouche stated, "If people say it can't happen, why did the British agents, who were crawling all over that Davos conference of about 1,000 leading businessmen, work so energetically on the press coming out of that meeting—a meeting where both Arafat and Peres had been strongly applauded by these businessmen—and induced the press in most cases, to put out a report, which, in point of fact, relative to what was said, was fraudulent? Because that section of the British intelligence service is trying to stop this thing from functioning. And therefore, they don't want people in the United States, in particular, to hear the truth."

"It can work. There are many problems and pitfalls. But

Peres is a statesman; he's not a nickel-and-dime politician in some odd-corner country. He's looking at this as a world problem; both of them understand it: That the Middle East is the crossroads of East and West, of North and South. They know that what they're doing is beneficial, not only to their region. It's the only hope for their region. They also know that, perhaps, this is a keystone, a cornerstone, for solving many other problems, of North-South, East-West, and so forth."

Pledges of aid not honored

Meanwhile, the same forces opposed to the plan are continuing to block the necessary funds from flowing into the region. At an "international donors' conference" convened in Washington last October, representatives of western governments stuck to World Bank claims that only \$3 billion of aid over 10 years was needed for the region—an amount Arafat denounced as "peanuts." So far, not one penny of this aid has been released.

According to a leading Palestinian economist based in the West Bank, the economic situation in the Occupied Territories is worse than ever. "None of the donors have honored their pledges," this source declared. "This includes the U.S. Agency for International Development, the State Department, the World Bank, and even the European Community." With the canceling of work permits for Palestinians by the Israelis, the situation is becoming even worse. He said that the World Bank has been holding up funds on the excuse that the Palestinians have not set up the machinery to disperse funds. He said this was a "lie" and that the machinery was there. The U.S. Agency for International Development has even stopped aid that was traditionally given prior to the agreement. This same source said that the recent tour of Israel and the Occupied Territories by U.S. Commerce Secretary Ron Brown was a lot of hot air. "All Brown did was push for the lifting of the Arab boycott and lecture us about free trade."