

# Will Reagan support an alternative to Camp David?

by Robert Dreyfuss

Western Europe and the League of Arab States are preparing joint political initiatives to replace the dead Camp David accords with the framework for a comprehensive Middle East peace settlement. But whether the incoming Reagan administration will support the effort, or remain with the Camp David policy, is uncertain.

Within the Arab world, the states of Iraq, Saudi Arabia, and Jordan have agreed upon a strategy of basing Middle East peace efforts on a solid foundation of economic development.

At a meeting of the Arab League heads of state in Amman, Jordan, on Nov. 25, it is expected that the entire Arab world, with the exception of Egypt and Libya, will approve an enormous capital development and industrialization effort for the year 2000 and beyond. Based on existing development plans, over the course of the next five years the 20 Arab states will spend as much as \$2 trillion on development. The Saudi Arabian five-year plan alone totals more than \$300 billion.

"We are a triangle, comprised of Saudi Arabia, Iraq, and Jordan," a senior Arab diplomat said in an interview with *EIR* last month. "We want to develop the Arab potential to its fullest extent—with nuclear energy, aerospace technology, and so forth," he said.

"We disagree with Syria's approach. The Syrians want to confront Israel with an Arab army. But we believe that this is not in the Arab's interest," he added. "In fact, if only the Israelis would realize it, what we are doing is also in Israel's best interests. They could take part in this economic renaissance with us. But Menachem Begin is too stupid to understand that."

The driving force behind the Arab strategy is Iraq, which is making a bid to take the leadership mantle in the Arab world. The Iraqi strategy, which has broad support among the other Arab countries, is very close to the Middle East peace and development proposals first put forth as early as 1975 by Lyndon H. LaRouche, an *EIR* contributing editor and former Democratic presidential candidate. LaRouche has proposed that the key to a Middle East peace is the eventual integration of Israel into Middle East economic development. A joint Arab-Israeli approach to regional development would win strong support from French, West German, and

other influential progrowth Western circles.

Now, Western Europe is prepared to take immediate steps to fill the policy vacuum left by the collapse of the Camp David accords.

## Europe's challenge to Camp David

At the beginning of December, the nine heads of state of the European Community countries will meet to discuss shaping a European Middle East policy independent of Camp David. In substance, the Europeans intend to call for the "involvement of the PLO" in current talks, and for the full withdrawal of Israel from the territories occupied in 1967. The European initiative, taken together with the Amman conference one week earlier, it will set both Western Europe and the Arab world on a course toward a comprehensive peace that, many people believe, will influence the way in which the Reagan administration acts on Middle East policy.

With the collapse of the Carter administration, virtually no one thinks the Egypt-Israel separate peace can be salvaged as a basis for further efforts in the Middle East. Even President Anwar Sadat of Egypt has abandoned all hope of pursuing the Camp David treaty. Thus, should he continue the Camp David policy of his predecessor, Reagan will not only offend the Arabs and lose countless billions of dollars in development contracts with the Arab world. He will also find himself in the position of having to exert pressure on a reluctant Sadat to continue down a dead end. That, most Arabs believe, will all but ensure Sadat's downfall.

## Choices facing Israel

Under the present circumstances, only two real choices are left to Israel.

The stated goals of Arab economic development, combined with European willingness to provide the necessary technology and capital, will mean that sometime during the 1980s, Israel will be confronted with a highly developed Arab world that, in terms of economic and military power, will have the ability for the first time to defeat Israel in a war. Israeli intelligence specialists are aware of that reality.

One response is for Israel to realize this state of

affairs and to accommodate itself to that reality by accepting Arab offers to make peace based on the creation of an independent Palestinian state. The other Israeli option—the suicide option—is for Israel to decide now to prevent the development of the Arab world by wars and by the fomenting of Khomeini-style Islamic fundamentalist revolutions in the Arab world.

The Reagan administration must face this problem squarely. To support the intransigent policies of the Begin regime will mean that President-elect Reagan, as Carter before him, is throwing American support behind an Israeli policy fundamentally in conflict with basic American interests. On the other hand, to support the European-Arab strategy, Reagan will not only ensure American interests, but will guarantee Israel's best interests as well.

Which way Reagan will ultimately go is still unclear. Inside the Reagan camp, a fierce fight is raging over the extent to which Reagan should accommodate the Begin government and its policies. For example, Reagan adviser Richard Allen is reportedly prevailing upon the President-elect to agree to a tripartite meeting with Carter and Begin in an obvious effort to keep Reagan on the Camp David track. However, another Reagan adviser and possible choice for a cabinet post, George Shultz, is vigorously opposing such a meeting, insisting that there is no need to "trap" Reagan into picking up the Carter mantle on Middle East policy. Significantly, Reagan refused to meet with Begin during the latter's trip last week to the United States.

In a recent article in the *Jerusalem Post*, Washington correspondent Wolf Blitzer worriedly noted that in Reagan's large conservative base, the "Israeli lobby" forces, have little if any representation let alone clout. Blitzer predicted the emergence of a pro-Saudi bias as a result of the conservative composition of the Reagan constituency, and reported that Israeli officials are scrambling to somehow get in on the inside of the Reagan policy-making apparatus. The Israeli foreign ministry has dispatched David Kimche, a high-ranking Mossad intelligence agent with longstanding ties to British intelligence, to the United States to handle Israel's contacts with the Reagan transition team.

Because the Reagan team currently contains several political figures long associated with promoting Israeli demands at the expense of U.S. interests—figures such as Joseph Churba, Eugene Rostow, Henry Kissinger, and Henry Jackson—numerous Reagan supporters have expressed concern that Reagan will be unable to maneuver a course free of the constraints of the Israeli lobby. However, the expected exclusion of these figures from the inner circle of Middle East policy making over the next several weeks could be the first step by the new Reagan administration to deny from the Begin government the "special treatment" that, given Israel's actions, it no longer deserves.

## France, Tunisia launch development initiative

by Dana Sloan

A little-publicized Oct. 26 agreement between France and Tunisia to set up an industrial investment bank with French, Arab, and Tunisian capital may be the single most important event in the several-year history of French President Giscard's proposal for a "dialogue." While this is not the first time that Arab petrodollars and Western technology will be brought together into industrial projects in the Third World, it represents a first institutionalization of the process.

The dialogue, organized cooperation for industrial development between European, Arab, and African nations, has been the center for the past two years for a good deal of French diplomacy in those regions. However, as a result of frequent postponement of the decision to implement Phase Two of the European Monetary System—the phase which will inaugurate a credit-generating system that can rival the functions of the International Monetary Fund and World Bank—the dialogue had threatened to become an empty phrase in the eyes of many of its expected and actual participants.

The Franco-Tunisian agreement was initialed during the course of French Premier Raymond Barre's October 24-26 trip to Tunisia, where he met extensively with his Tunisian counterpart, Premier Mohamet Mzali. It now provides the model for possible similar triangular accords in the future involving France and other North African, Middle Eastern, or continental African states. The bank is designed to finance Tunisia's Sixth Five-Year Plan, which goes into effect next year, and is intended to propel the country into Western living standards by the year 2000, a perspective which increasing numbers of African and Middle Eastern countries share, whether or not they have oil resources. This type of development program, as all partners in the dialogue are quick to emphasize, represents the sine qua non of economic health, and therefore political stability and military security, in the developing-sector countries.

### The dialogue bank

Premier Mzali first proposed the creation of a bank to then-Foreign Trade Minister Jean-François Deniau and Foreign Minister Jean François-Poncet when they visited Tunisia on two separate occasions this summer. Preliminary soundings among Arab states indicated that Iraq would commit itself to financial backing for