

Israel-PLO accord stresses infrastructure development

by Muriel Mirak-Weissbach

The news of an agreement reached between the Palestine Liberation Organization and the Israeli government came like a thunderbolt out of the sky, leaving many political observers in the troubled Middle East dumbfounded. Although the fact of Israeli behind-the-scenes negotiations with the PLO was an open secret, and mutual recognition was on the agenda, reportedly no one — not even the PLO leadership, the Palestinians negotiating in Washington, nor relevant Arab leaders engaged in the talks — knew that a concrete agreement regarding the interim phase of limited Palestinian self-rule was to be signed. No one, judging by official statements following the announcement, had been informed of the content of the protocol published by the Israeli daily *Yediot Aharonot* and reprinted by the French daily *Libération* on Sept. 1.

Regardless of whatever else may be involved in the secret diplomacy, the fact of the matter is that PLO leader Yasser Arafat and Israeli Foreign Minister Shimon Peres have endorsed a document whose economic policy content has the potential to provide the basis for a durable peace.

A new 'Marshall Plan'

Most important in the text are the Articles 7, 11, and 16, which call for a "Marshall Plan" on the West Bank and Gaza Strip, a broad development perspective to be brought into being by authorities established by the Palestinian interim council, to develop necessary infrastructure like electricity, a Gaza sea port, a development bank, export promotion, and water resources. Annex 3, a "Protocol on Israeli-Palestinian Cooperation in Economic Development Programs," states, "The two sides agree to establish an Israeli-Palestinian Continuing Committee for Economic Cooperation, focusing, among other things, on . . . cooperation in the field of water . . . electricity . . . energy," and including gas and oil pro-

duction in the Gaza Strip and the Negev Desert; oil and gas pipelines to be built; industrial complexes to be built in the Gaza Strip; financial cooperation to encourage international investment in the Gaza Strip and the West Bank; a Palestinian development bank; creation of a Gaza Zone Port, transport lines to be built for the West Bank, the Gaza Strip to and from Israel and third countries, including rail lines; feasibility studies to create Free Zones in the Gaza Strip and Israel, and other forms of commercial cooperation; industrial cooperation, including an industrial development program for joint Palestinian-Israeli centers for development and research, including textiles, food, pharmaceuticals, electronics, diamonds, software, and scientific industries.

Annex 4 contains the following provisions, among others: Both parties will demand that the Group of Seven industrialized nations seek cooperation in a development program for the entire region, involving the member nations of the Organization for Economic Cooperation and Development (OECD), the Arab states, and the private sector; there will be a regional development program, and a development program for the West Bank and the Gaza Strip; the latter program will involve a social rehabilitation plan, including housing; a plan to set up small and medium-sized industries; a plan to develop physical infrastructure.

The regional development program will involve the development of a joint Israeli-Palestinian plan to exploit the Dead Sea Zone; the Mediterranean Canal (Gaza) to the Dead Sea; a regional desalination plan and other hydraulic works; a regional agricultural plan including a coordinated struggle against desertification; interconnecting the electric power lines; regional cooperation to transfer, distribute, and exploit gas, oil and other energy sources; a regional development plan for transport and telecommunications.

Political responses

The text of the protocol gave rise immediately to speculation, interpretation, and exegesis all around the world. From the United States, Lyndon LaRouche, in his weekly radio interview, "EIR Talks," hailed the plan on Sept. 1, identifying its "up side" as well as its "down side," and forecasting the possible consequences. With the exception of those protocols pertaining to tourism, LaRouche characterized the proposals contained in the first five points as conforming to proposals he had circulated to Peres and PLO circles since 1975-76, known later as the "Oasis Plan." "So it is *good*," he said. "On paper, those first five points of economic agreement between the two entities look excellent, and some of the details are remarkable for their excellence." On the "down side," LaRouche forecast: "This plan is going to have tremendous opposition from the friends of Ariel Sharon within Israel, inside the Israeli institutions, and from circles in the United States such as the Anti-Defamation League and others who have always been on the 'kill the Palestinians side' here, and who will press Israel to take the so-called Likud hard line, to try to disrupt this agreement." This means, he added, "they will be going for, possibly, stirring up as many assassinations of Palestinian leaders as possible, PLO leaders, as they have done in the past frequently, and other things to disrupt it, to say it violates international economic agreements and so forth."

Indeed, the prevalent view expressed by press and political layers among Palestinians and other Arabs in the region, in discussions with *EIR*, was that the agreement could be a prelude to violence, not peace. The fact that Arafat had agreed to postpone the central issue of Jerusalem's status, and to accept the "Gaza first" formula of establishing Palestinian administration in Gaza and Jericho, prompted fears that violence could erupt—or be provoked—between the Islamist Hamas Palestinians, who reject the peace talks with Israel, and the PLO. Such clashes (such as those which in fact erupted in Gaza on Sept. 1) could, it was feared, escalate into civil war among the Palestinians in the Occupied Territories, and spill over into Jordan, whose population is over 60% Palestinian. Furthermore, persons within the Palestinian leadership voiced concern that Arafat's secret diplomacy could exacerbate frictions within that body itself. One very controversial aspect of the political agreement among Arabs is that the Palestinians will be assuming police functions in Gaza and Jericho, faced with putting down possible violence from among their own ranks.

LaRouche's recommendation is to seize the opportunity opened up. "This can be put through in its positive features only with a stiff fight, and only with strong encouragement to both Arafat's group and the group around Shimon Peres. . . . We should take it very seriously and we should push it; but also recognize that there are people in the United States, as well as in Israel, part of the Zionist lobby here, especially, who will do their utmost to drown this agreement in blood,



Palestinian refugees in Amman, Jordan. The new Israeli-Palestinian accord puts forward economic measures which could effectively underwrite a peace settlement. Only if the potential of such an agreement is realized, against those who would like to "drown it in blood," can there be a hopeful future for the Palestinians.

and to prevent this cooperation from ever occurring."

What is at stake, he stressed, is world peace. If the proposals outlined in the economic protocol "could be brought to fruition, to some degree of security, it would establish a point of stability in the Middle East between the Palestinians and Israel, or some of them at least, which could become a keystone for building peace based on economic cooperation of a new type in other parts of the world."

In point of fact, such economic cooperation must take place in Europe as well, as part and parcel of the economic development on the table for the Mideast. In this context, it is significant that both Peres and Arafat, following the news of the agreement, appeared in Europe to seek support. If the Europeans are not stupid, they will realize that the requests for aid are actually offers of help. The "Oasis Plan" for Mideast peace based on development, which LaRouche referenced, was originally outlined in the mid-1970s, and put forward again two years ago, as part of a package including the Productive Triangle program for continental Europe. Instead of implementing that project, Europe's leaders allowed shock therapy madness to ravage eastern Europe. Now, with the unexpected turn of events in the Mideast, the opportunity has been placed on a silver platter for past blunders to be corrected. The only way Europe can effectively further the cause of peace in the Mideast is by securing peace—through development—on the European continent.