

# Arafat: 'I don't want to be a Gorbachov'

by Joseph Brewda

"I do not want to be like Gorbachov," Palestine Liberation Organization chairman Yasser Arafat told the Israeli Labor Party newspaper *Davar* in an interview published Sept. 15. Mikhail Gorbachov, as Arafat explained, "launched the policy of perestroika, but lacked the necessary financial means and had to leave the stage." Arafat went on to caution that "if the United States and the international community failed to send funds to finance infrastructure projects in the territories, and especially in the Gaza Strip, it was doubtful if the agreement could be implemented."

But whether or not that development credit will be forthcoming, and hence whether the Israel-PLO peace agreement will be implemented, remains an open question. The World Bank has already declared Mideast economic infrastructure projects to be a "low priority." On Sept. 21, U.S. Secretary of State Warren Christopher called for an "international donors" conference to be held in Washington on Oct. 1, to consider doling out some \$3 billion over ten years to the West Bank and Gaza—the absurdly low World Bank estimate of what is needed. Christopher has also lobbied to channel aid through the World Bank.

On the other hand, Israeli Foreign Minister Shimon Peres in his meeting with Japanese Foreign Minister Tsutomu Hata at the United Nations on Sept. 26, asked Japan to sponsor a "wise men's conference" of experts to build a "new Middle East," potentially providing an alternative forum to the World Bank. Similarly, German Chancellor Helmut Kohl told a meeting of leaders of the European Jewish community on Sept. 9, "We must create a Marshall Plan for the Middle East."

As far back as 1986, Peres called for a \$50 billion Mideast Marshall Plan, which dovetailed with policies advocated by Lyndon LaRouche since 1975. In comments to the Italian press last spring, Peres called for an \$8 billion annual fund for Mideast development to implement regional infrastructure projects, such as desalination.

## World Bank says 'no'

A World Bank study on the Mideast released in September leaves no doubt that it will attempt to block the type of development that Arafat and Peres have called for. In its report, "Mideast Peace Talks Regional Cooperation and Economic Development: A Note on Priority Regional Projects,"

the World Bank gives "low priority," to almost all infrastructure projects. The only ambitious project recommended, a gas pipeline from Algeria to Europe, is based on Algeria using the pipeline to pay off its huge debt to the International Monetary Fund.

Among the projects intended for oblivion are:

- *The Mediterranean-Dead Sea canal.* Together with the Red Sea-Dead Sea canal, this project is necessary to develop Gaza and the West Bank. The canals would maintain the water levels of the Dead Sea; lining them with nuclear-powered water desalination facilities would allow for an enormous increase in food production. The region is desperately short of fresh water.

- *The expressway from Beirut to the Syrian border.* This and other projects are necessary to revive the Beirut port, the most important port in the region prior to the Lebanese civil war. Such projects are also needed to provide a basis for the development of Syria.

- *The Aqaba-Iraq corridor, a land bridge linking Jordan's Aqaba port on the Red Sea to Iraq.* Rail and road projects relating to this corridor have been on the drawing boards for years. Iraqi infrastructure destroyed by the U.N. war must be rebuilt, and the murderous embargo lifted, if the peace accord is to work. The Iraqi labor force is among the largest and most skilled in the region, and Iraqi agricultural potential is vast. A transportation corridor linking Iraq to Gaza, which must be provided with a major port city, is also required.

- *Regional rail integration.* The World Bank report rejects the type of railroad construction and regional integration of existing networks needed to hook up North Africa and the Mideast. It is a continuing scandal that some of the rail lines destroyed by Britain's "Lawrence of Arabia" in World War I have never been rebuilt.

## Hong Kong-style schemes

Yet another way that the World Bank is attempting to sabotage development is through trying to misuse the accord as a means to impose a "common market" on the region centered on exploitation of cheap Arab labor. Jacob Frenkel, the governor of the Bank of Israel and a former top World Bank official, seems to be one of the advocates of this plan, which would use Palestinian labor to sell labor-intensive goods abroad. Associated with this scheme are efforts to promote tourism, a policy often advocated by the World Bank to its victims as a substitute for development.

There are also related schemes to use the accords as a vehicle whereby certain forces in Israel would take over neighboring economies—the Egyptian economy, in particular. In September, the International Monetary Fund forced the Egyptian government to privatize its banking system, creating vast new opportunities for foreign intervention. Various political figures in Egypt have long advocated using cheap Egyptian labor to create a "Hong Kong" in the region.