

'A neighbor at peace is worth more to us than a piece of the market'

by Shimon Peres

The following are excerpts from an unofficial transcript of an address delivered by Foreign Minister Shimon Peres to the Jerusalem Business Conference 93 on Oct. 31. Subheads have been added.

. . . Israel speaks regionally. Contrary to Arab apprehension, Israel does not plan to take over Middle Eastern markets. Let me say here clearly: We are not giving up land for an economic control, to become an economic ruler. . . . What we are doing in Gaza and Jericho is an answer to the Arab demand and the Jewish call not to rule over others. The age of colonialism and imperialism is over. A country is great and rich because of its intellectual capacity, because of science, technology, education. Look at Japan, a very small land with no raw material, but with a leading economic role in the world, and counterpose it to the vast lands of Russia, which cannot support its population. . . . The only way to succeed is by animating your own science and technology and not by trying to wrest a piece of another country's market. . . . For us the Arab activity is more important than the Arab market. We feel that a neighbor that feels secure is a good neighbor; a neighbor that feels bad is bad for its neighbors. For us today, the peace of a good neighbor is worth more than a piece of a market.

And I am not sure at all that there is anything to conquer economically; if there is, it is to build a great market. What can we conquer in Gaza? What we have to do is to build Gaza. What can we conquer in the West Bank. What we have to do is to build the West Bank.

We must raise the standard of living

For my government the greatest problem in the Middle East today is the standard of living. If the standard of living in the Middle East will remain on the average of \$800 or \$1,200, it is a lost cause. Fundamentalism will win, because poverty is the food of revolt, of protest, of fundamentalism. The greatest task ahead of us is to provide the people of the Middle East with a new standard of living and in the vicinity of \$20,000—twenty times as much as they earn today—because the higher the standard of living will become, the lower the standard of violence will go down. It's totally correct. And I know that many of the Arab leaders understand today that as far as they are concerned the problem was never,

never, Zionism but fundamentalism. Iran more than Israel. . . .

So, from that point of view, the only thing that we are really suggesting is to do regionally the things that cannot be done nationally. . . . How can you defend a country when you have missiles that are totally uninterested by frontiers, or fronts, or fortifications? They hit at the heart of the civilian population without paying attention to the marks on the map or the obstacles on the ground. We cannot defend the Middle East unless we shall defend it regionally. How can we develop the Middle East—its water, its tourism, its infrastructure—unless we shall do it in a regional way, as the Europeans are doing it or the Americans are doing it, namely to translate a geographic proximity into an economic advantage?

Three examples of joint development

Then we have three other models I would like to refer to. One is an immediate one: That is to build, right away, a triangle economy, an economic triangle, that is between the Jordanians, the Palestinians, and us. It is an inseparable economy, as you can hardly cut the map . . . unless you want to have several systems of customs, of taxes, of closures which will punish all three of us. Furthermore, most of the important geographic assets are shared by the three of us. From the south of Lake Tiberias to the north of the Red Sea, the most important assets are shared jointly: the Jordan River, the Dead Sea, the Negev Desert, the Red Sea itself. It can serve as a dividing line, as a long confrontation between the three of us; it can serve as a joint treasure to the benefit of all the parties. Basically, I believe we don't have a solution for the three of us, unless we do it *en trois*. You cannot have a triangle when each angle is going its own way. We have to organize the triangle together, and do it in a way like the Benelux, to have an economic roof and maybe a national platform. Maybe nationally there should be two entities, a Jordanian-Palestinian and an Israeli one, but economically it must be done together.

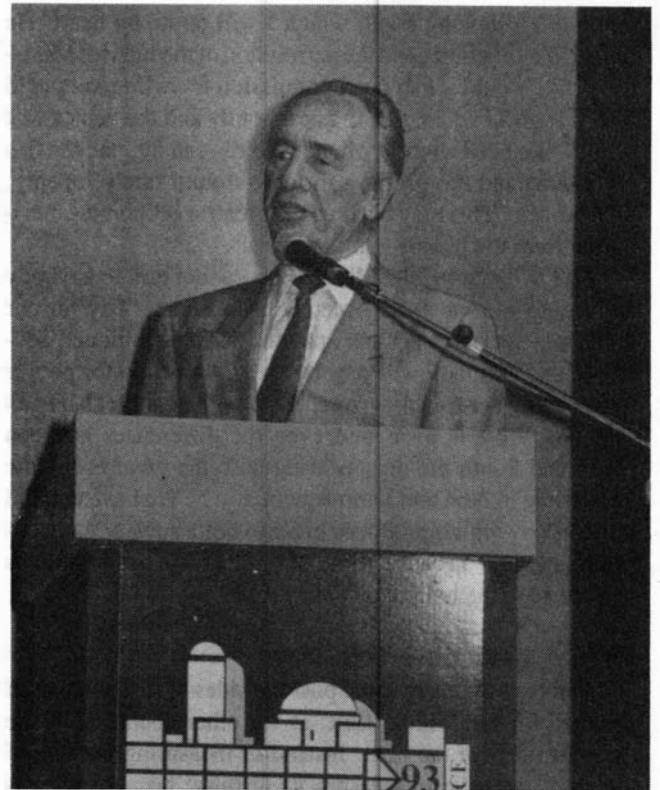
As you know I met Crown Prince Hassan [of Jordan] at the White House, and President Clinton asked us if this was our first meeting. And I said, "As a matter of fact, publicly it is our second meeting and the first hand shaking, because I heard Prince Hassan making an eulogy at the memorial ser-

vice of de Gaulle.” And I told the President that [the prince] spoke a superb French, as he speaks a superb English. And then I said it was my impression that the prince speaks even the Hebrew language. So the President asked, “Your Highness, do you speak the Hebrew language?” He said, “Yes, I studied for two years the Talmud and Mishna,” and then he said in Hebrew, . . . “Rise and go through the land, its length and its width.” I closed my eyes, and I went through the land, its length and its width. And I asked the prince for an example: We are going to build an airport north of Elat. They have an airport already north of Aqaba. The distance between the two airports is maybe six miles, or something like that. Why not make the airport north of Aqaba a joint airport, an international one? We shall save money, they will gain landing rights and fees for landings. Why should we not have one railroad instead of two parallel lines from the north to the south? Why should we not keep the Red Sea clean, and take the two ports, the Aqaba one and the Elat one, which are half-employed and push them to the north by cutting a canal and have one port for the two countries? You know, just by joining the electricity nets of Jordan, Egypt, Israel, and the Palestinians, we can save \$6 billion a year, all of us. . . .

Then there is a third one, in addition to the regional one, the triangle one, that was offered right now by the European Community. The European Community suggests that there will be two markets. The Maghreb, which comprises three countries, Tunisia, Morocco, and Algeria; and the Mashrek that should comprise six parties: Egypt, Israel, Jordan, Lebanon, Syria, and the Palestinians. Each of the two markets will be connected with the European market and among themselves. I think it is an interesting idea. And I think Europe is showing an important interest in the structure of the Middle East, and this idea should be checked and see what are the advantages of it.

Then there is a fourth model I want to refer to, that is, really to construct the region as an economic region, to comprise all 21 members of the Arab League, Israel, maybe later on Turkey, and, if there is a change in Iran, maybe Iran as well. And try to build a Middle East for the people instead of a Middle East for the wolves. I know that from the outset, many people are asking, “How can you do it? The systems of governments are so varied; the levels of the economy are so different. How can you put all of them into one basket?” Well, the differences are by far greater than the similarities. It’s a good question. It doesn’t have the minimum common ground which existed in Europe. But my answer is: We have a name to refer to the geography and to the relations among the different people. I know that we cannot equalize all the governments and all the economies in a decade, and maybe not in 20 years, or maybe not in 50 years; but there are things that we can do jointly . . . and only jointly can they be done in a profitable manner.

I am referring to basically four major efforts. Number



Israeli Foreign Minister Shimon Peres speaking before the Jerusalem Business Conference 93. “What can we conquer in Gaza? What we have to do is to build Gaza. What can we conquer in the West Bank? What we have to do is to build the West Bank.”

one, to reduce the negative expense. The Middle East is spending \$50 billion a year in the arms race. God knows what for. Now, nobody’s going to reduce the arms race, unless all will reduce the arms race, proportionately speaking. If all countries who participate in this race will agree to reduce the race, say by a third, we can devote \$17 billion a year for education and hospitals. We have now a working group, the arms control group, which is meeting with a view to try and achieve a restraint in the arms race and in the direction of [putting] the money to more positive purposes.

Then again, we have oversized armies. If we are going for peace, what do we need such a large army for? . . . But anyway again this cannot be done, neither should we postpone it, unless we should agree to do it on a regional level on a mutually agreed understanding that we are going to spend the money on other things.

Eventually I think there is a third negative expense, and those are old-fashioned governments—you know, governments that keep an outsized secret service, a bureaucracy that controls every corner, creating an aura of suspicion, of silence, and kills the enterprise, the initiative, the freedom of their own citizens. They are actually cutting the insides of their national strength as a nation, as a people. I, myself, like a Syrian poet who is in exile: His name is Kabani, and he

wrote the following lines, which I will quote by heart. He says, "Would a bird need the permission of the Interior Ministry to fly, would a fish need permission to swim, we would live in a world where the birds cannot fly and the fish cannot swim." We need a world where the birds can fly, and the fish can swim, and the people can walk around freely, openly, without fear. This may become the greatest economic contribution from the people to themselves. . . .

And by the way, the Middle East cannot turn to anybody and say to Europe or to America or to Japan: "Pay for our army, pay for our arms race, pay for our old-fashioned governments." Nobody will pay for them. The time for people to be paying for follies is over, because the conflict between East and West is over; and even the differences between North and South are disappearing with the great economic awakening in Asia and Latin America. . . . We have to build an economy which produces money, not a society that consumes money, because some strongman or some mullahs want to keep the hold upon their people.

Rolling back desertification

And then there are some positive sides to it. The greatest problem for the Middle East, as for other countries, is the desertification of the land. Instead of measuring the size of the land, we have to measure its fertility, because what is really disappearing is not the land, but the fertility of the land. Africa is dying because AIDS is eating up the people, the desert is eating up the land, and in some cases, not in many of them, the corruption is eating up the governments. And many people gave up looking for a solution to the African situation, or at least in some of the places.

To fight desertification we need a combination of two things: to handle properly the available waters, and to produce new ones by desalination, by artificial rain, by recycling. The Arabs have a piece of land that is 30 million square kilometers—a very nice piece of the globe. Yet, 89% of it is already desert, and according to the FAO [U.N. Food and Agriculture Organization], they are going to lose a quarter of the remaining 11% by the end of this century. . . . To use properly the available water, to take out the desert from the land, salt from water, and the violence from the people, to use modern biotechnology, science, and technology, Israel can really be an example—Israel was, too, a semi-desert land: In 25 years, from 1950 to 1975, Israel has increased its agricultural yield 12 times, 1,200%, without increasing the size of the cultivated land or the quantity of the use of water for irrigation. It was, basically, purely an achievement of science and technology, and what could have been achieved in Israel can be achieved in every other place.

We have to go with joint forces on a regional level and try to stop the desertification of the region. Again, neither the desert, nor the water, nor the science have really to do with political orientation. The rain does not get through the customs, and the rivers do not follow the frontiers. And even

if you carry your mind with your body through the customs, no official in the customs can really check what you have in your brains. . . .

The second positive part of it is to produce industry which is totally modern, and the Middle East was blessed by natural attractions, tourism. Tourism can create hundreds of thousands of jobs. And our forefathers built pyramids and holy places; and, furthermore, tourism is an industry which is based upon tranquility, and calls for the maintenance of tranquility. It creates a vested interest to have a hospitable nature and to keep the country quiet, and nice, and secure.

And there we have to build—and that is the third point—an infrastructure for the Middle East, a modern infrastructure; we have a modern infrastructure for the armies, now we need an infrastructure for the people: pipes for oil and gas and water, railroads, roads, communication, modern communication, airports, seaports, power stations, in order, really as I have said, to translate the geographic proximity into an economic advantage. All this can be done without equalizing the governments or equalizing the economies. I know this calls for a very serious investment from within the region, because the region is apparently rich, when you think how much money we spend on arms and armies.

From outside of the region, we have approached many of the leaders in the United States, in Europe, in Japan; and we told them in a simple way that actually the Americans, the Europeans, and the Japanese reached such a high productivity, that the only thing they can really produce is unemployment. The more productive they are becoming, the more unemployment they are having. And we told them, "Why wouldn't you export your unemployment, but not to geographic markets—the world is already divided—but to social markets? To raise the market from a level of \$1,000 per capita to a level of \$10,000, \$15,000? You can get the money back. And, by the way, this should be done by the companies, not by the governments. The governments should provide investment guarantees, but the ones that have the money are companies. . . . And I think they can come to the Middle East to help to build a market of producers and consumers on modern lines and be repaid later on according to their investment. . . .

Here are more or less the lines that I believe are the right ones: To go from an immediate triangle between the three parties, also to solve the political aspect, to a region that will start to build itself. For Europe and America, a healthy Middle East is more promising than a sick one. And for the Middle East people, the time has come for less to remember and more to think; less to be prisoners of the past and more to become loyal to the future, to the existing age which is spreading with such a great force and invitation to all other places. Our task is to prepare for the younger generation, to handle the 21st century according to the new rules and become registered on the list of the winners and not on the list of the losers.