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## Nissim Eliad

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# 'We could give up land for real peace'

*Nissim Eliad, secretary general of the Independent Liberal Party, is the ILP's second candidate in the list of the Alignment coalition that includes the Labor Party.*

**EIR:** What solutions are you proposing to overcome the economic crisis?

**Eliad:** We believe that the main reason for the economic collapse is that our government is a squandering one. They made such a mess of our economy, that if I were to describe it fully, I would call it a case for a psychologist. This gentleman, Yoram Aridor, the finance minister, came to office when the Likud was at its lowest level in public opinion. And he realized that the economic question was very important, so he started making what to my mind is an "election economy," and what he describes as the right economy, from which he will not depart after the elections. After the elections, he found a certain professor who wanted to keep the rate of exchange of the dollar so low that anyone with shekels would buy dollars and then find somewhere to keep them.

Last October, it became clear that our economy is close to collapse. Then he resigned, he said, because of "dollarization." But what nonsense! . . . The new finance minister immediately put all the liberalization of our economy—which had led to 100% inflation rates—under control, and has imposed restrictions on foreign currency.

**EIR:** What are your proposals?

**Eliad:** The government should revive economic growth. There is no growth in our economy. We must revive this, the GNP must be increased. It stopped under the Likud. Before the Likud government, growth was characteristic. But the Likud did not invest enough. We need to regulate income according to productivity of our industry and services, to stop squandering money on many projects which we believe are unnecessary.

**EIR:** For example?

**Eliad:** The war in Lebanon and the new settlements. We distinguish between security settlements, those we have agreed boundaries for, and those which go outside the boundaries of Jordan-Palestine. In '77 our foreign debt was about \$11 billion; now it is \$28 billion. I don't know where the money went. After all, from '48 to '77, twenty-nine years, when the

most crucial work was done, we got in 1,600,000 newcomers. With the 400 new settlements, with the national water carrier, with the education system, the social housing we built for these people, and the buildup of industry, and four wars—all this, we had an inflation rate of 35% and \$11 million debt. Now it is \$28 billion, but how?

I think the Labor Party would actually be a more conservative government, though that sounds strange. The LP is more rooted in the economic structures, and knows better how to appreciate our currency. I am pretty sure that if Labor comes to power, it won't solve the crisis immediately, but within a few years, it can.

Another point is that Labor will find more trust in the labor sector than the Likud could. With the Histradut, they can find a better understanding; not that the Histradut will help them too much, but Labor has always given credit to the Histradut for its responsible behavior in negotiations. . . .

**EIR:** Let me ask a question to bridge the discussion of economic and political questions. Would your party be open to launching joint development projects with Palestine-Jordan or with a new Palestinian state?

**Eliad:** If we come to an agreement, even the present government would be willing to launch such projects. This is one of the main suggestions. The present government would be quite happy to suggest to the Jordanians and the Palestinians joint economic projects, but this doesn't mean they would be ready to give up the sovereignty over those territories. And here lies the difference.

**EIR:** Whereas you would?

**Eliad:** We would, on condition that we come to an agreement on the security border (we cannot accept the bottleneck of seven miles of land separating the sea from the Arab border, which would be the case for Netanya). But if there is a will, I have no doubt there will be a way. If we can come to an agreement on defensible borders, as was laid down by President Nixon, I believe, we can discuss it with them. I am not an expert on economic matters, but on this question I am an expert, in all modesty. The difference lies in these two concepts: The Herut says it is our country, we didn't initiate a war to occupy these territories. Once they have been returned to us, we are not allowed to give them back. On the other hand, since security is involved, there is no reason to give them back, they say. . . .

I would not deny that I recognize the territories as part and parcel of Israel, because it is the teaching of our Bible. But I am a politician and I want to bring about peace in the Middle East, between us and the Arab states, and if these territories can be traded for real peace, I mean these territories subject to the security needs of Israel, if they can be traded for real peace, as was done with Egypt, I am ready to negotiate this. I think that would be our best contribution to our people, who need peace. . . .