
Outlook for 1987

Shimon Peres's 'Marshall Plan': economic basis for Mideast peace

by Muriel Mirak

The following article was written for EIR's "1986 in Review" issue last week, but could not be published for considerations of space. Given the escalating war danger in the Middle East, the overview remains highly timely.

In the view of Israeli Foreign Minister Shimon Peres, 1987 should be "the year of peace negotiations." To lay the groundwork for talks, which would engage the United States, Egypt, Israel, and Jordan (and including representatives of the Palestine Liberation Organization), Peres, in his capacity as prime minister, led an indefatigable diplomatic effort throughout the year of 1986, to establish his "Marshall Plan" as the economic platform on which negotiations could begin. Whether or not the incoming year will indeed signal the beginning of concrete moves toward peace, will depend on the extent to which the Irangate scandal, now sweeping the U.S. and Israel, will remove from policy-making positions the obstacles constituted by gun-running networks, and clear the way for patriotic forces of both nations to pursue peace through economic development.

Peres's plan, first floated in January 1986, was the outgrowth of a decade of deliberations on the part of Peres associates like Economic and Planning Minister Gad Ya'acobi and former Bank of Israel head Avnon Gafny, both known as "fathers of the Marshall Plan." Bearing striking resemblance to the regional economic development approach American economist and politician Lyndon LaRouche has been campaigning around since 1975, the Marshall Plan calls for the creation of a \$25 billion fund over 10 years, created by the OECD nations, and earmarked for economic and industrial development in the entire Mideast. According to Gad Ya'acobi, who helped hammer out the projects of the plan, "this would include development of educational systems, vocational training, irrigation, energy, roads, R&D, industrial plants, housing, airports, and seaports. . . . Proposed in the framework of the plan, for example, was cooperation between Israel and Egypt in the field of chemicals production, in irrigation, in agriculture, in energy, including the possibility of establishing a nuclear-powered electric station in the Sinai, which would supply energy to both Israel and Egypt." In short, the program defines a series of great infrastructural

projects involving Israel and the neighboring states, projects whose economic fruits would be enjoyed through a technological level in production and a concomitant, significant increase in the labor power of the populations concerned.

The driving motivation behind Peres's launching the idea, as he repeatedly stated, was his concern that the deteriorating economic conditions in Egypt, Jordan, and particularly Syria, would hasten the process of social disruption, paving the way for irrationalist, Muslim fundamentalist forces to accede to power. The tremendous military debt shouldered by both Israel and Egypt, aggravated by the International Monetary Fund austerity policies enforced by U.S. Secretary of State George Shultz, has brought both economies to the edge of collapse. In Syria, the massive military build up has sacrificed the civilian economy, and the influx of workers, repatriated due to falling oil production, has so weighed on the economy as to create emergency conditions in the country, visible in electricity and water rationing as well as food lines. Peres has not excluded the possibility that Syria could participate in the development scheme, for this very reason.

LaRouche intervenes

Although the Marshall Plan idea is just what the doctor ordered, convincing concerned parties to provide the medication has not been easy. Peres traveled through Western Europe to illustrate his plan, and urged national leaders to deliberate on setting up a fund, during their OECD summit in Tokyo in May. No mention of the plan appeared in that meeting's final communiqué, but participants assured Peres that they had discussed it. The only prominent Western leader who wholeheartedly endorsed the plan was Lyndon LaRouche, whose political support for it was communicated throughout the Arab world in the Saudi newspaper *Asharq al-Aswat* in May. LaRouche stepped up his campaign for the plan within the United States, and issued a series of policy recommendations which circulated in Washington and Jerusalem.

In June, two *EIR* correspondents, this writer and Paolo Raimondi, traveled to Israel, to conduct a series of interviews with persons directly involved in elaborating the plan, including Gad Ya'acobi, Avnon Gafny, and a host of others.

Details of the plan and Israeli political expectations were thus further spread to Western policy-makers through *EIR*.

In August, LaRouche issued a further policy document, entitled "A New Middle East Policy Is Urgent." Addressed primarily to the Reagan administration, whose 1982 Mideast program had long since become a dead letter, LaRouche warned, "The U.S. must concentrate on assisting President Mubarak and Israel's 'New Marshall Plan' backers, to reach practical agreements of a kind which will set the trend for all so-called moderate Arabs. If that works, the Middle East can still be saved. If not, the entire eastern Mediterranean will soon become a Soviet lake."

Due to the hegemony exerted in Washington by policy-makers since identified in Irangate as pursuing a diametrically opposed policy of promoting precisely that brand of fundamentalism that the Marshall Plan aims to thwart, the official response to the plan remained guarded silence.

With merely weeks to go as prime minister, before the October rotation of power in Israel, Peres responded to the passivity of the United States, by launching a series of dramatic diplomatic moves. First, in early autumn, he made an unannounced trip to Morocco, meeting with King Hassan. While his factional opponent, Yitzhak Shamir, grumbled at the initiative, Peres succeeded in reaching a diplomatically worded agreement indicating Moroccan willingness to aid negotiations with the moderate Arab camp, particularly with Jordan. No sooner had Peres completed his Moroccan "coup," than a full-fledged summit meeting with Egyptian President Mubarak took place. The final communiqué of the Cairo summit pledged a commitment to establish a commission which would prepare a multilateral, regional peace conference, with the participation of Egypt, Israel, the United States, Jordan, and the Palestinians. Peres's aim, as Labour Party insiders confirmed, was to render the negotiating process he had initiated, unstoppable, by institutionalizing it in such a commission.

Although no explicit mention of the Marshall Plan was included in the final communiqué of the Cairo summit, Peres made clear in his subsequent activities that the perspective remained unaltered. Now occupying the post of foreign minister in a Shamir government, Peres traveled to the United States in November for a speaking tour, during which, Israeli spokesmen stressed, he "talked about the Marshall Plan wherever he went." In Detroit, during one such speaking engagement, Peres again outlined the economic catastrophe hitting the Arab world.

"As an Israeli," he said, "I'm sincerely worried about it. I wish to see a stable and flourishing Egypt. I wish to see a stable and flourishing economy in Jordan, because all of us know the simple truth that at the gates of poverty, you always have an assembly of bitterness, belligerency, and extremism. I think that they should be helped. . . . I believe a Marshall Plan should be offered to the countries in trouble by the international society. The Marshall Plan should be made of governmental contributions in a partnership between busi-

ness and banks."

Since Shamir has taken over as prime minister, there has been no official motion toward the plan, nor has any attempt been made even to maintain the momentum created by Peres's organizing drive. Worse, the Shamir government has recently introduced a series of drastic austerity measures internally, which will cut expenditures in all those areas—health, housing, education—which are crucial to qualifying the labor power required for the Marshall Plan effort.

The only hope for Peres's "year of peace negotiations" lies ironically in the U.S. "Irangate." Although Israeli government statements have tended to play Israel's involvement in Irangate as "a favor to the United States," a favor which Peres, Defense Minister Rabin, and Shamir agreed upon, it has become clear that the factions originally involved in clinching the arms deals for Iran with Alexander Haig, were those grouped around Ariel Sharon. Significantly, it is precisely the "Irangate" networks in Israel who are most vehemently opposed to the Marshall Plan, including the current prime minister.

Israel cannot have both gun-runners and scientific city-builders. Either Irangate is seized as the golden opportunity for Israel's Marshall Planners to clean house, and reestablish a commitment to technological progress as the nation's identity, or the economy and credibility of Israel as a modern nation, will disintegrate.

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