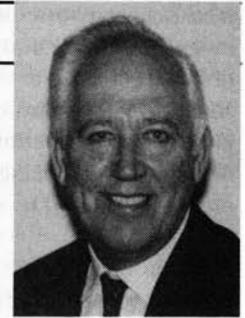

Interview: Gad Ya'acobi



Mideast cooperation must be both economic and political

Mr. Ya'acobi is the present head of the Israeli Mission to the United Nations Organization. He was minister of economic planning in the 1984-86 period in the Shimon Peres government. He is a leader of the Israeli Labor Party, a leading economist, and known for his outstanding support for large economic projects as key to a successful peace agreement in the Mideast. This interview was conducted by EIR correspondent Paolo Raimondi from Wiesbaden, Germany on Oct. 20.

EIR: Mr. Ya'acobi, you may remember the discussions we had in Tel Aviv some years ago.

Ya'acobi: Yes.

EIR: First of all, I want to express my congratulations as well as those of the *EIR* staff for the agreement signed between Israel and the PLO.

Ya'acobi: Thank you very much.

EIR: I was recently reading again the interviews that you gave to *EIR* in 1984 [June 19] and in 1986 [April 11], and I have to say that the lines of discussions we had and the ideas you presented at that time have been substantially taken up in the protocols of the agreement.

Ya'acobi: That is correct, I have believed for many years in these routes, in these directions.

EIR: Could you comment more on the agreement, in particular on the economic aspects of the deal?

Ya'acobi: This agreement is just an opportunity to create peace and stability in the region. But without regional cooperation and economic development the agreement might face hardship. Such an agreement cannot stand just on its political foot, it has to stand on two feet at the same time, one political and one economic and social. We have to encourage regional cooperation in order to establish in due time in the future a Mideastern common market, at least a common market between Jordan, the Territories, and Israel, and perhaps later on with other countries in the area. We have to establish gradually an integrated network of infrastructure, especially in the domains of seaports, airports, railways, perhaps energy plans. We, for example, can develop jointly a deep water

seaport, a modern airport in the Aqaba area, in the Aqaba-Eilat area. We can open borders for tourism as a joint venture between Israel, Egypt, Jordan, and the Territories to use the nature and history advantages of our region to attract a big flow of tourists into this area. We can promote joint ventures in the fields of industry and technology and we can, through regional cooperation, promote cooperation and teamwork in the fields of health, vocational training, technology, and agriculture. All this will strengthen peace and stability and reconciliation, because it will be a built-in factor which may deepen the mutual interests between the people in the area which is, I would say, the most profound root in order to enhance the continuation of this process.

EIR: I would like for you to develop more some of the ideas which you already expressed in the past two interviews with *EIR*, specifically on big infrastructure programs.

Ya'acobi: I can give you two or three main directions, main examples. One is to build a joint deep water seaport in Eilat and Aqaba which will serve the two present seaports of these two very close cities. Secondly we can develop jointly an international airport at the border between Israel and Jordan which will serve both nations and the inflow of tourism directly from Europe. We can build a railway which will connect the Gulf of Aqaba and the Mediterranean Sea and will become a sort of inland bridge that may become an alternative to the Suez Canal. We can jointly develop the mineral resources of the Dead Sea and the tourist resources of the Dead Sea which is, as you know, between Jordan and Israel. We can develop a joint tourism program which can be based on the attractions of Egypt, especially the pyramids and other places, the sacred, holy places in Israel and the Territories, for example Jerusalem, the Sea of Galilee, Nazareth, and Bethlehem.

EIR: What about the canal connecting the Mediterranean and the Dead Sea?

Ya'acobi: It is now being reassessed. You know that some years ago there was a proposal to develop this project, and then, after some years, it was decided by the government of Israel that, because of the falling price of oil, it was not worthwhile any more from an economic point of view. Now

it has been reassessed and this canal may go from the Mediterranean Sea, at the northern part of Gaza and the southern part of Israel, directly to the Dead Sea through Israel and part of Judea, which is the southern part of the West Bank, and to create sources of energy and save the Dead Sea from being dehydrated and being dried up completely, as it is in the process [of being] now.

EIR: In one of your earlier interviews with me you mentioned that there were considerations of establishing collaboration also on the energy front and on nuclear energy. What is the orientation today?

Ya'acobi: There is an idea to build a civilian nuclear energy reactor in Sinai in order to use it for two purposes, for desalination of seawater and producing electricity for the use of the southern part of Israel and the Sinai desert which is now, as you know, part of Egypt. This is one of the ideas which is being studied now by a working team from Israel and Egypt. Of course now we have to add to this team a representative of the self-rule of the Gaza Strip, because Gaza may become a client, a very very important client of this potential nuclear reactor.

EIR: You mentioned desalination. The question of water is going to become in the future one of the essential questions for the development of the area.

Ya'acobi: That is correct. The shortage of water is one of the most limiting factors in economic and population development in Israel and in the Territories, and it is under negotiation in one of the subcommittees of the multilateral talks in which about 40 countries are taking part, including the Palestinians and Israel. There are some solutions which have been indicated: One is a certain arrangement under the auspices of joint authorities for water between the Territories and Israel, another one is developing new sources of water based on transfer of water from Turkey. Turkey is ready to sell or to contribute water to our area, and, if and when we will have peace with Lebanon, I guess that the transfer will be much easier. There are many other alternatives. This issue is very, very serious and is being discussed in one of the mutual subcommittees.

EIR: After the fall of the Berlin Wall, we proposed a policy of integration of East and West Europe through great infrastructure projects. It was called the "Productive Triangle," a proposal formulated by Mr. Lyndon LaRouche. We saw the integration of Europe in connection also with the regions of the Mideast and beyond. In Europe, instead of moving further with such infrastructure and industrial and technological development, the problem has been the imposition of shock International Monetary Fund therapy in Poland and Russia. I tell you this because I see in some discussions and suggestions coming out from sectors connected to the IMF and the World Bank, an attitude that will definitely not be helpful,



An investigator measures the salinity of springs in the Negev Desert. Irrigation using brackish desert aquifers is an Israeli specialty. "The shortage of water is one of the most limiting factors in economic and population development in Israel and in the Territories."

to say the least, for a real economic and infrastructure program for the region. What is your thinking about this?

Ya'acobi: You see, this is an aspect that we are taking into account. I may tell you that we have studied the prior experience of Algeria, which fought many years for its political independence, and now that they have it, they are in a very complicated and bad economic situation, with 30% unemployment and a real social and economic crisis. In order to avoid this, we were part of the initiative that took place in Washington two weeks ago of the international donors conference for the Territories, where \$2 billion of pledges were made, \$600 million for the first years and \$400 million for the second years, and then a very deep involvement of the World Bank and the readiness of many countries to go for joint ventures including Israel and the Territories. All this is being done in order to avoid this syndrome that took place in eastern Europe and in Algeria. An historical lesson has to be studied from all these experiences.

EIR: Some proposals coming from institutes connected with the World Bank tend to have the attitude of proposing the use of the so-called Palestinian cheap labor. The experience in eastern Europe proves that such a policy is a catastrophe for everybody.

Ya'acobi: It is correct in the long run, but in the short run, let us say three to seven years, we have to face reality and supply more jobs to the people who are living in the Territories in order to raise their standards of living and to create hope. This is what has to be our guideline for the immediate future.