

view with Jordanian-based Hamas leader Mohammed Nazzal shows, the Islamist opposition to Gaza-Jericho is comfortably sitting back and waiting to pick up the pieces; Hamas knows that Arafat's job would be facilitated by a popular mandate at the polls. Hamas is poised to ignore elections, if they are for an administrative council, and to fight, through a political party created for the purpose, to win a majority, if broad legislative elections are allowed. Hamas enjoys considerable financial support from abroad, reportedly from Saudi Arabia, and is also being played by certain factions within Jordan as a pawn in negotiations with the PLO.

The tourism trap is baited

The outcome of elections will depend directly on whether real economic progress can be achieved. The \$30 million which the World Bank was forced to turn over could help get things started in Gaza. However, if the trend toward get-rich-quick schemes, patronized by the World Bank, continues, and vast projects are launched for tourism, the PLO's credibility and that of the entire peace process will be undermined.

In this context, the economic content of the talks between Jordan and Israel, with U.S. participation, is indicative. In their agreement for a crossing between their respective port cities of Aqaba and Eilat on the Red Sea, citizens of third countries, i.e., tourists, are allowed to travel freely. Eyeing the \$2.6 billion a year tourist business that Israel makes, enterprising tourist agencies are already planning to exploit the new border crossing to offer package tours through Jerusalem and Petra. Similarly, a conference on tourism is to be held in Cairo on Sept. 28-29, followed by an international conference in November in Portugal. The initiative comes from the U.S. State Department, and aims at exploring the potential of regional tourism.

During talks among American, Israeli, and Jordanian negotiators at the beginning of September at the Dead Sea, tourism was the major topic, and plans were discussed for the Jordan Rift Valley, the Dead Sea, Aqaba-Eilat, and elsewhere. Another project discussed was the exploitation of the Jordan Valley as a "transnational heritage and nature park." Furthermore, a draft is being written on the "Dead Sea Lowest Point on Earth Park." The Dead Sea-Red Sea canal project, which is a *real* infrastructure project as opposed to the tourist traps, was discussed at the U.S.-Jordan-Israel talks in Tiberias in mid-September. But here, the \$3 billion price-tag was considered an insuperable obstacle. The World Bank, which sent observers to the Tiberias meeting to play an "advisory role," was reported to have become "all the more important in the process." Once projects are agreed upon, in these trilateral talks and in the PLO-Israeli process, it is the World Bank which assumes responsibility for "feasibility studies." Enormous amounts of money go to financing the studies.

Clearly, in the vacuum created by the lack of major funding earmarked for infrastructure projects, "private enterprise" is moving in at record speed to make a quick buck.

Interview: Dr. Fahed Fanek

'The peace process has not been moving at all'

Dr. Fanek, a Jordanian syndicated columnist whose views reflect those of Jordanian government circles, was interviewed in Amman, Jordan on Sept. 18.

EIR: What is your overall evaluation of the peace process, one year after the Gaza-Jericho accord?

Fanek: I feel that the peace process has not been moving at all since the Washington declaration. Two months after the declaration, we thought that things would move very fast and, actually, nothing is moving. Three or four meetings so far at the shores of the Dead Sea and other places have been fruitless. The Jordanian delegation says that the Israelis are stalling. Perhaps they feel that the course they took of normalization is good enough and they don't have to pay a price for it. But, on the other hand, the king is telling the people to rest assured that things are moving and that everything is in order.

The only way to reconcile the two statements in my view is that there is another track of negotiations, a secret one or confidential one, between Jordan and the Israelis, and maybe there is some advance on that track. Once they reach final results, they come to the official track, and things move fast again. That's what happened in July, when things were very bad, and then, suddenly, there was a breakthrough, which must have been achieved in confidential talks and then came up in public only when it was ripe. Perhaps we have a repetition of that now, especially when [Israeli Foreign Minister Shimon] Peres is saying time and time again that he is insisting on two tracks, one secret and behind closed doors, so that they can exchange concessions without the glare of the media, and another track which is in the open, the track which is to tell the people we are committed to peace and we are ready to negotiate openly with the Israelis.

So perhaps things are better than we think, if the confidential track is going better, but this is only my hunch; there's no evidence that there are secret talks between Jordan and Israel.

EIR: When you say things are not moving at all, what are you referring to in particular?

Fanek: I'm referring to water, borders, occupied lands, the right of return of the refugees, security matters. Nothing has been decided. The only positive decision that was made was to allow Jordan to export commodities to the West Bank, in

the order of \$30 million before the end of this year. This is an isolated transaction, not a continuous thing. So at the end of the year they will decide again on whether we will have the right to make further exports or not. And even those \$30 million worth have not started to be exported yet.

EIR: What about water? Peres has been emphasizing the need to produce new sources of water.

Fanek: There are some sources of water now which we want our share of. Now, if we can together find other sources, that's another story. But we should not mix the two issues. The Israelis are saying, let the present water be ours, and then we will find some water for you. That's speculating about the future. We need our share of the present sources of water, and then we will together cooperate in looking for other sources.

EIR: What about the Dead Sea-Red Sea canal project? Has it not been agreed upon?

Fanek: It is agreed upon. The question is to finance it. It will cost \$2-3 billion. Who will pay? Jordan has not one dollar to put in that project, but, of course, it's our project and we want it. It will provide Jordan and Israel with all their electricity needs and will help to desalinate the water. And this is a new source, but this new source will be shared later on, it is not compensation for giving up our present share in the current sources of water.

EIR: Is money what is holding up that project?

Fanek: I think a preliminary study is under way, but it is only a preliminary one, so we need a feasibility study, and then to talk about financing and implementation. It's only an idea so far.

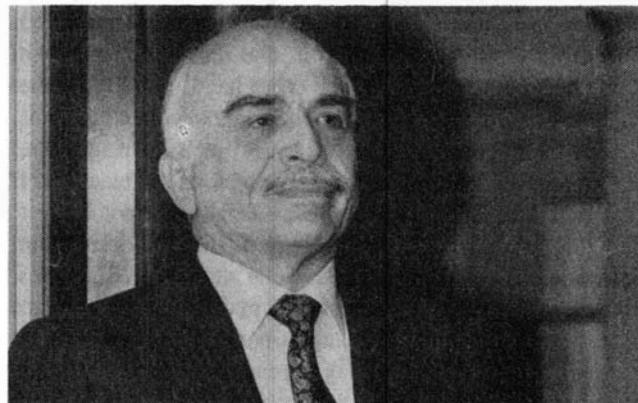
EIR: Would this project provide water for the Palestinians in the autonomous regions?

Fanek: It will, because the Palestinians have enough water. Their problem is that the Israelis are taking it. So if the Israelis have another source of water, to take it from this project, then they can leave the Palestinians alone to use their own water. Because 80% of the Palestinian water is being taken by the Israelis.

EIR: What about the other projects, in the Jordan Valley for instance?

Fanek: The Jordan Valley: I think that's the area where the World Bank and the other international institutions are more active than the participants themselves, so all that's needed is the consent of the parties, whereby Jordan would say okay to that project; but I don't think that Jordan will undertake these studies, or the financing, or the implementation. It has to be international institutions.

EIR: What is involved specifically in this Jordan Valley



King Hussein of Jordan at the White House in 1994: He used his own political weight to win popular support for the peace process.

project?

Fanek: It is tourism, natural parks, duty free areas. I think there will also be housing, because if the area becomes prosperous it needs to accommodate more people, that means housing, infrastructure, etc. The idea is to make the Jordan Valley a prosperous area, to serve as a border and a point of contact between the two.

EIR: Does that include further agricultural development?

Fanek: Of course. If it means more water, then it means more agriculture and more civilian life. In fact, even more industries, because many industries are not developing in Jordan due to lack of water. Many industries need plenty of water, which they don't find. Even in the city of Amman now, we have water twice a week at homes. We have to depend on reservoirs for five days of the week, so we don't have enough water now.

EIR: How far has the discussion developed in Jordan on the use of nuclear energy for desalination to solve the water crisis?

Fanek: I am not aware of any move on that because it is extremely expensive for Jordanian resources. I think politically it's not attractive now until we have our share of the water. Any new project is being seen as a way of taking our attention from the real point to other hopes which may materialize or not. So until we have our fair share of the water now present. We can later on look at other projects. But the nuclear thing is very expensive and it needs to be internationally adopted. It can't be a pure Jordanian project.

EIR: The PLO has criticized the Jordanian-Israeli talks because the Palestinians say they are not getting enough. Are the Palestinians receiving significant projects?

Fanek: I think they will. The world is committed to \$4 billion in favor of the Palestinians, but the money is not coming. The blame has to be shared, in fact, because the Palestinian self-rule is very slow in building institutions. The

donors cannot just send checks to Yasser Arafat, they need credible institutions that they can trust for implementation. So until Yasser Arafat moves in that direction, funds will continue to be on hold. On the other hand, there is another thing to blame on the self-rule: They are not collecting taxes. I think the donors meant to finance projects, infrastructure, not to pay the salaries of the policemen or the teachers. If they paid for one or two months, all right, but not forever. The Palestinian people were able to finance the occupation, which is very expensive. The Israelis were collecting taxes, enough to pay for all their costs and make some profit on the side. So why does the present national Palestinian self-rule not start to collect taxes to pay for current expenses? I'm not saying they should finance the projects, that's beyond their means. But they can finance the policemen, the teachers, and the civil servants. I understand that any new self-rule has a lot of problems and, politically, it is not easy to ask people to pay taxes. When there's competition to get popularity, you can't be popular and ask people to pay; however, it's a difficult formula that has to be solved.

EIR: Has the Palestinian National Authority (PNA) received the tax records to be able to do this?

Fanek: The taxes are divided into two categories: Direct taxes are under the authority of the Palestinians. They can collect income tax and property tax. On the other hand, the indirect tax is collected by the Israelis, and they were supposed to hand it over to the Palestinians. This they have not done so far, so the Palestinians had to ask the Israelis to pay them their share of the VAT (value-added tax) and the customs duty tax, this is a main source of income. So the Israelis have to pay that part and the Palestinians have to collect the direct taxes. The two sources should take care of the current expenses of the self-rule, which is not much.

EIR: To collect taxes, the PNA needs the tax records, which reportedly have not been given them.

Fanek: They may have taken the records with them, but if they are asked to provide them, I don't think they would hide them. They have no incentive to do so. In fact, they are pushing the Palestinians to collect taxes; otherwise, they will be under pressure to pay themselves.

EIR: In reference to the unpopularity of taxes, how do you assess the relative strengths of Hamas and the PNA?

Fanek: I think it's better than before. We thought there would be a dispute, even an armed dispute. But so far, things are under control, and Hamas is behaving wisely, not making any conflict with the self-rule authorities. It seems the people want it to succeed, because it is better than nothing. It does not satisfy their ambitions, but it is better than nothing, and if it fails, all will lose. So they have a good chance to succeed. The only criticism, a major one in fact, is that Arafat is monopolizing the authority, he is not democratic enough. If that's true, it's not good, because the Palestinian organiza-

In 1993, EIR warned of World Bank sabotage

Exactly one year ago, in September 1993, the World Bank released two studies on the Mideast which left no doubt that it would attempt to block the type of development that Palestinian leader Yasser Arafat and Israeli Foreign Minister Shimon Peres had called for in the Gaza-Jericho accords.

In its report, "Mideast Peace Talks Regional Cooperation and Economic Development: A Note on Priority Regional Projects," the World Bank gave "low priority" to almost all infrastructure projects. The only recommended ambitious project—a gas pipeline from Algeria to Europe—was based on Algeria using the pipeline to pay off its huge debt to the International Monetary Fund.

The projects slated for oblivion, *EIR* reported in the Oct. 8, 1993 issue (p. 38), included:

- *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 required to revive the Beirut port, and 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

tions were always democratic, they bragged that they were more democratic than all Arab regimes. So now that they are being tested, they should prove that they are democratic, and the individual is important but is not the only authority. Authority has to be shared and democracy has to be stronger than it is so far.

EIR: How do you view the question of Jerusalem?

Fanek: I tell you very frankly, as an East Jordanian, I don't understand why we, as Jordan, should be involved in Jerusalem against the will of the Palestinians. I understand that we will be ready to do whatever they want to help, but not to impose our help on them. Jerusalem is a Palestinian city, it is not a Jordanian city. We want it to be Palestinian and under Palestinian sovereignty.

boards for years. Iraqi infrastructure destroyed by the U.N. war must be rebuilt, and the murderous embargo lifted. A transportation corridor must link Iraq to Gaza, which must be provided with a major port.

● *Regional rail integration.* The World Bank report rejected the type of railroad construction and regional integration of existing networks needed to hook up North Africa and the Mideast.

'Investment in peace'?

On Sept. 20, 1993, the World Bank released its *Developing the Occupied Territories: An Investment in Peace*, a six-volume series laying out its vision of Palestinian development. As *EIR* analyzed the report in an article printed on Oct. 22, 1993 (p. 9), the World Bank recommended that Israel and a future Palestinian state:

Use no state-directed credit: Neither nation must ever carry out the type of state-directed "dirigist" credit policies required to agriculturally and industrially develop the region, according to the World Bank.

"International experience," the report asserted, "indicates that differentiated patterns of protection, activist industrial policy or public channelling of money into unviable enterprises via the financial system too frequently lead to economic disaster." In reality, the contrary has always been shown to be true (e.g., the historical cases of the United States and Japan).

"Economies that have prospered in the past," the study continues, "have relied primarily on the private sector, working in undistorted markets, as the primary engine of economic growth."

Abandon attempts to achieve food self-sufficiency: Increased food production through developing new sources of water would not be allowed. "Diminishing water resources throughout the region will constrain the development of the agricultural sector," the report read, "with

future growth limited to high-value export crops catering to niche markets." In other words, grow oranges, asparagus, and cut-flowers for Europe, but do not grow staples like rice and beans for one's own population.

No industry, but a service economy: The World Bank opposed heavy industry. "Given the paucity of industrial raw materials and the small market size, heavy industry is unlikely to be a major contributor to future growth," the report advised. "Instead, skill-based, light and medium-sized industries would appear to be more promising."

Associated with creating such light industries were plans to create "free-trade zones." Demanding open trade relations between Israel and the Arab states, the report stated that "a possible approach to consider would be a free-trade area with Israel, linked with a significant opening of trade to Jordan and Egypt," i.e., that Israeli-owned Palestinian sweat-shops assemble cheap radios for export to neighboring Arab states. "Above all," the report continued, "the economy of the West Bank and Gaza is likely to remain mainly a service-oriented economy with an important contribution made by the tourism sector."

Rationalize and privatize: The study emphasized the supposed need for rationalizing and privatizing "inefficient" government sectors that have "poor performance," and criticized *existing* health care for providing "costly, high-technology, hospital-based care."

In this respect, the report claimed that the Occupied Territories are blessed with a relative lack of government involvement in the economy, since, after all, the territories are occupied. The territories do not have a "bloated bureaucracy nor any loss-making public enterprise. . . . Free from these legacies, public policy can, therefore, focus on structural reform." In short, the Palestinians could have genocidal "structural reforms" imposed on them without even having a state, or even the crushing external debt typically used to enforce such policies.

However, there is a point of view which must be understood: The Palestinians postponed the fate of Jerusalem for five years. The question is, what will happen during these five years? Is it better for Jordan to continue to carry on its duties in preserving the Islamic places or not? The replacement for the Jordanians are not the Palestinians. So it is in the interest of the Palestinians to tell the Jordanians, "Okay, go ahead, continue your activities and services until we take over in the future." If they took over the sovereignty of Jerusalem, there is no problem, because they are free to tell everyone what he can or cannot do. But if they don't get Jerusalem back—which is a possibility—then it is better to have something Islamic and Arab in Jerusalem, which Jordan is doing. So there is a feeling that the king feels responsible for Jerusalem until the Palestinians take over. If they take

over, he has no problem to withdraw and to deliver the authority to the Palestinian al Waqf [the religious authority responsible for Islamic holy sites]. But if not, then the Islamic places should continue under Islamic rule and the king says he is doing it on behalf of all the Islamic nations.

EIR: Why do you think the PNA announced it would take over administration of the Islamic institutions?

Fanek: The reason behind that is competition: The PLO fears that Jordan has ambitions to recover the West Bank and annex it to Jordan, or unite it, or whatever, and Arafat wants a Palestinian state. I myself support Arafat in seeking a Palestinian state and I tell him all the Jordanians support a Palestinian state and that there's no possibility that Jordan would go back to what it was before 1967. He should be assured that

this competition is bad for both parties. Maybe the only beneficiaries are the Israelis. If we compete as to who would be closer to the Israelis, that's bad for both of us. But we have to admit, there's a problem at the level of leadership, between the Palestinians and Jordan.

EIR: What is your assessment of the population's view of the peace process in Jordan?

Fanek: I think even the opposition agreed that the majority of the people support the king in his move. I think that the Jordanian people would not have supported the peace process, had it not been pushed strongly by the king himself. So the king used his own popularity, his political weight for the peace process, and succeeded. So most of the Jordanians are ready to go along with him because he made a decision. But without that, the popularity of the peace process would have been less, and it could diminish over time, if no results are coming forth. People are complaining and are disappointed that the peace process is slow and is not giving fruits. If that continues to the end of the year, if 80% are for peace now, that would go down, I don't know how much, but the peace operation could lose ground over time if no results are seen or felt.

EIR: Do you see a breakthrough coming with Syria?

Fanek: I think the Syrians have been ready since the very beginning. The question is whether the Israelis are ready to move or not. In order for the Israelis to delay the process with Syria, they make things more difficult. They ask for conditions that they know cannot be accepted. But the Syrians are ready for full peace, economically and politically. [Syrian President] Hafez Assad told the new Syrian parliament that he knows there are requirements for peace—he means normalization—that he is ready to comply with. But the Israelis have not said yet that they are ready to withdraw from the Golan Heights; they say they will withdraw *in* the Golan Heights. Playing with words does not help. They should say they are ready to withdraw from the Golan Heights and that they recognize Syrian sovereignty over that piece of land. Then they can talk about gradual withdrawal, about conditions, about American presence, etc. That all is negotiable, provided they say they are ready to withdraw according to a timetable and to recognize Syrian sovereignty.

EIR: Peres said in an interview to a Jordanian paper that he would "not touch the existing settlements."

Fanek: That's a prescription for not reaching a peace treaty, because the Syrians will not accept less than full withdrawal. If they want to leave the settlements under Syrian rule, it's up to them, but I don't think the settlers would like to stay there. The Syrian Jews left Syria although they were nationals there. So they wouldn't stay in the Golan Heights under Syrian rule. And without Syrian rule, there is no peace. No one can ask the Syrians to make peace with Israel while their land is occupied.

Interview: Mohammed Nazzal

Hamas opposition still opposes the accord

Mr. Mohammed Nazzal is a leader of the Hamas movement of Palestinians opposed to the PLO. He was interviewed by Muriel Mirak-Weissbach in Amman, Jordan, on Sept. 19, 1994.

EIR: What is your overall assessment of the situation, particularly in the Gaza Strip, one year after the Gaza-Jericho accords?

Nazzal: As you know, we were against this Gaza-Jericho accord, because we thought (and still think) that this agreement is against Palestinian aspirations. We are against the accord because we don't think it solves our problems. After one year, we can say the Hamas stand is right and the stand of others is wrong.

Because this accord in practice proves that it will not give the Palestinians anything. If you consider the economic situation in the Gaza Strip, where the accord is implemented now, you can say that the situation is very bad. If you consider the Israeli troops, they made a redeployment, they are still in the Gaza Strip.

Still there are settlements and the settlers, so what's the difference?

EIR: What about the projects, for schools, housing, and so forth?

Nazzal: There's nothing. The only thing the Palestinian Authority did was to clean up the city. There is nothing. There are no projects, because they are waiting for the donors' money, and what can the donors give the Palestinian Authority?

Suppose they give them money, they will give them salaries for policemen and employees. But I don't think there is a possibility to make projects.

EIR: You have not been to Gaza.

Nazzal: Me? No. But we have our brothers there, reports coming from there, so we know the situation very well.

EIR: Thirty million dollars were recently disbursed for proj-