
Interview: HRH Prince Hassan

Economic projects enhance peace effort

This interview with Jordan's Crown Prince Hassan was conducted by Muriel Mirak-Weissbach in Amman on Nov. 1:

EIR: Your Royal Highness, you said yesterday that it would be important to broaden one's view of developments beyond the Middle East. You spoke of eastern Europe and China. Are there plans to enlarge the MENA [Mideast North Africa summit] process, to enter into cooperation with ASEAN [Association of Southeast Asian Nations], ECO, etc.?



Prince Hassan: Yes, there was a representative of the U.N. secretary general yesterday talking about the Economic and Social Commission for West Asia (ESCWA), an organization in place which we use as a point of reference, which is relevant to many in this region. There is the statement of the Arab League yesterday, saying, let's revitalize the institutions and develop the regional cooperation. There are also the new regional institutions, the Regional Economic Development Working Group (REDWG), etc. I see all these financial mechanisms coming together in a new regional debate which is economic for a change, rather than purely political. I think we are transcending national rivalries in this sense, and while addressing the political issues in the comprehensive discussion of the peace process, this building process is also addressing the why's and wherefore's of putting substance into decisions. The fact that we cannot absorb all these parameters in one statement, should not depress us.

EIR: What about concrete plans to link up with the Eurasian transportation grid which is being built for the Central Asian republics, Russia, and into China?

Prince Hassan: Indeed, I think the idea of transportation links—the idea of an electricity grid in this region by 1997 which would include Syria, Jordan, Israel, Egypt—all of this is on line. The time has come when the gestation and maturity of these projects will coincide with enhancing the other processes as well.

Of course, the absence of Syria and Lebanon on the one

hand, and the absence of Iraq, of Iran from a broader regional debate, for whatever reason—I don't want to comment on the reasons and restate our position on each of these issues—of course, we need a comprehensive peace, we need the participation of the Iraqi people. . . .

But I think we are moving gradually, in different circles, concentric circles, I mean, toward a broader understanding of complementarity in the Arab, Muslim, and regional sense, in the eastern Mediterranean sense. Don't forget our commitment to Barcelona and the Euro-Med, for example: the idea of a trade hub in the region, which of course, involves so many countries. Let's not forget the outside world; there are 63 nationalities here, who are looking at the intermediation of this region between Europe, on the one hand, and the Western Hemisphere and East Asia, on the other. There is a lot of good news.

Interview: Enzo Ferrari

We are proposing great infrastructure projects

Mr. Ferrari is the Managing Director of Gas Supply, Finance, and Administration of the Italian firm SNAM/ENI. He was interviewed by Muriel Mirak-Weissbach in Amman on Nov. 1.

EIR: ENI has presented the Levante Gas Project, to extend the Peace Pipeline to the Near East region. What concrete possibility exists that such an ambitious project may be realized?

Ferrari: We want to demonstrate that the distances, which are extremely important for a gas project, are not so great as to impede realization. Even the three alternatives—by land, by sea, and by alternating the two—in the end involve the same costs to carry an energy source from the point of production to its potential market. We know that Turkey, which is experiencing tremendous industrial growth and also growth in energy needs, is seeking alternative sources of gas. It is looking to Russia, to many areas, to make a match in terms of diversification of gas sources, to reach the year 2000. To the extent that Egyptian production of gas will yield an adequate volume, to begin these projects, the distance to Turkey will not prevent getting it there. At the same time, the study of a land route, as we have learned from our experience in Europe, makes it possible to generate the growth of gas industries. But all this is possible *only* in the context of peace. If there is peace, if it continues to develop, we can implement these projects, therefore, we're thinking of starting.

EIR: Algeria, a very important country in gas production, is undergoing dramatic political conflict. Italy hosted the conference of the Algerian opposition, under the auspices of the Community of Sant'Egidio. . . .

Ferrari: Yes, that is a very important initiative. . . .

EIR: How will a possible change in government there affect the industry?

Ferrari: I think hydrocarbons are very important for the Algerian economy. They represent a very high percentage—about 90%—of export revenues in hard currency, which the country needs both for investments to satisfy the needs of the population, and for foreign debt payments, so gas plays a central role, as does oil, and it will increase as the lines to Spain and Italy increase the supply to other European countries, which will bring in hard currency. And I think *any* government will need hard currency. We are in fact dependent on Algerian gas, but we believe that the mutual benefits are such that relations can continue, even if the political situation were to change.

EIR: Here in the region, Israel, Jordan, and Egypt will benefit from your project. What about Palestine?

Ferrari: We believe that through transparent relations which are mutually beneficial, projects like this one, requiring big investments [\$1-1.5 billion], can be done. With a 3% population growth rate here, there will be an increasing demand for energy, electricity, and the technologies which have been developed over recent years with highly efficient energy utilization, make it possible to export gas energy, which also has a positive environmental impact, it makes possible local electricity production, with limited dimensions. So one need not build huge plants, to have an economy of scale. Medium-sized plants can be built, which produce highly efficient gas energy and are therefore very competitive. This will bring the population energy for electricity, refrigerators, heating, and so on.

EIR: How will this \$1-1.5 billion project be financed?

Ferrari: Great projects have shown that they are acceptable to the banking system, if the people on both sides, as well as the projects, have credibility. We have always financed great projects in part with our own capital and with recourse to loans, with the concept of project financing: a project which can bring in a return beyond the initial outlay, at a margin which allows repaying the loan.

EIR: Do you think such a huge project can be handled by private means?

Ferrari: We propose a very advanced scenario: At each stage, we will have one portion of the project which will be feasible. The project goes to 2010-20, but if we begin with one segment of the pipeline, this means that with the demand for financing to transport this volume and put it on the market, this project that is launched is viable. We cannot think of

financing a project for billions of dollars, but we can think of developing gas industries in the region, in each country.

EIR: Has the discussion process here at the MENA conference advanced the project?

Ferrari: This is an idea of a project, which has to go further. We have to talk to government representatives of the various states, to gas industries, to the energy sector in each state. All this requires time.

But this conference is very important, in having brought together so many qualified people and political sponsors at the highest level. Believe me, it was personally very moving for me yesterday to see, seated around a round table, the Jordanian king, the Israeli prime minister, Chairman Arafat, the U.S. secretary of state . . . it was very important. I think it shows an extremely ambitious political commitment, which is gradually developing. It is a marvelous sign.

Interview: Domenico Siniscalco

We are not just going to buy oil and leave

Mr. Siniscalco is the executive director of the Enrico Mattei Foundation in Italy. Enrico Mattei was the founder of Italy's national hydrocarbons company ENI. He was killed in 1962, when the plane in which he was traveling exploded—an "accident" which many believe was really a political assassination. Muriel Mirak-Weissbach conducted this interview in Amman on Nov. 1.

EIR: Do you think the project presented by ENI reflects the tradition of Enrico Mattei, whose relations with the Arabs world have left their imprint on Italian culture?

Siniscalco: Yes, I see many reflections, even though, because of my age, I never personally met Mattei. I see much of his spirit here, because: 1) we are going to these countries; and 2) we are cementing peace and development in these countries; it's not a matter of going there to buy oil and leave. It's a question of building infrastructure, especially to benefit the local population, with contracts favorable to them. Finally, there is the idea of a great political project, which was always the foundation of Mattei's innovation. Clearly, building a pipeline that goes from Egypt—the country Mattei went to first—up through Jordan, Israel, Lebanon, to Turkey, and then goes to central Asia and to the Gulf. If we succeed in realizing this project (and there are many conditions), it would certainly be in the Mattei spirit.

EIR: How is this project viewed in Italy? Is there enough