

Facing War, Arabs Focus On Building Economies

by Hussein Al Nadeem

An Arab summit meeting was held in the capital of Jordan, Amman, on March 27-28. Although many important issues were unresolved, such as the Iraq-Kuwait dispute, it marked an important shift and a new direction for inter-Arab relations and strategies.

First, this was the first “regular” summit, meaning that it will become an institution for annual discussions among Arab leaders, even if one or more Arab leaders were not to attend. Second, the Iraqi issue was discussed openly for the first time, and unanimous agreement was reached by all Arab member-states, including Kuwait and Saudi Arabia, on the necessity for unconditionally lifting UN sanctions against Iraq. However, as the Iraqi side expressed reservations about this compromise, it was not included in the final communiqué, entitled the “Amman Declaration,” but in a separate statement.

Another important breakthrough was that the issue of pan-Arab economic cooperation and integration was placed on the summit agenda. A proposal by Egyptian President Hosni Mubarak for holding an Arab economic summit was endorsed for the first time.

The summit also expressed support for Sudan, and acknowledged its right to defend its national sovereignty and in the face of an international campaign aimed at splitting the country and looting its oil and other natural resources.

The Death of the Peace Process

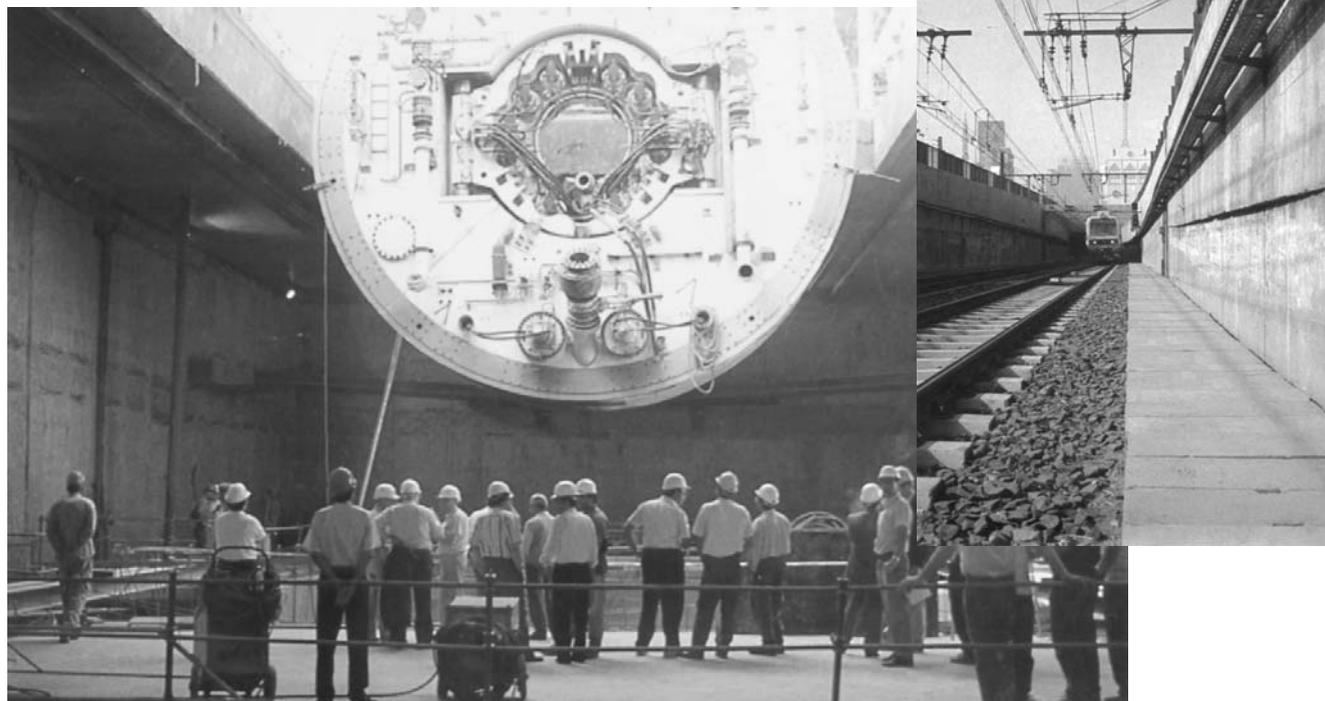
One striking feature of the speeches and discussions of the Arab leaders, was the overwhelming pessimism and general belief that the peace process is completely dead, especially with Ariel Sharon coming to power in Israel. The question asked, was not whether there will be new peace negotiations between Israel and the Arabs, but when a new war is most likely to break out. Israeli Prime Minister Sharon sent a swift

answer on the evening of the conclusion of the summit, when Israeli attack helicopters launched missile attacks on the Palestinian Authority’s offices and security headquarters in Gaza and the West Bank. This attack came allegedly in response to suicide attacks on Israeli civilians carried out by Islamic Jihad. However, the Israeli government’s targetting of Palestinian National Authority President Yasser Arafat and the Palestine Liberation Organization as the “terrorist mastermind,” is a clear signal that the bombing was a provocation, and that Sharon’s government desires an open war with the Palestinian Authority and its Arab allies.

In support of the Palestinian National Authority, the Arab leaders made a number of pledges of financial and political help. “The leaders express their extreme indignation at the United States’ use of its veto in the [UN] Security Council against the draft resolution about protection for the Palestinian people . . . and express their complete rejection of the American justifications. This position does not conform at all with the United States’ responsibilities as a sponsor of the peace process,” the final communiqué read. It demanded that the UN Security Council provide protection for the Palestinians. The communiqué further demanded, in an indirect reference to Sharon, that “the Security Council try Israeli war criminals who have committed massacres and crimes against Arab citizens throughout the Arab occupied territories and elsewhere.”

Arab leaders agreed to release \$240 million to the Palestinian National Authority in soft loans to meet the urgent needs in the Palestinian territories, which are facing an Israeli economic siege. The leaders welcomed Iraq’s designation of 1 billion euros from its oil export sales (part of the UN oil-for-food agreement) to secure needed food, medical, and other essential supplies for the Palestinians.

Construction of the Underground Cairo Metro (below). Egypt and other Middle Eastern nations are focussing on linking up their transportation, energy, and other infrastructure systems, with an eye toward the benefits of the Eurasian Land-Bridge and economic ties to Europe and Asia.



Arab leaders also warned that the Arab states would break off all relations with any government that decides to move its embassy in Israel from Tel Aviv to Jerusalem.

Iraq and Kuwait

The final communiqué did not include any statement on the understanding reached by the majority of the Arab states on solving what they called “the Iraq-Kuwait situation,” in order to clear the atmosphere of the deep disagreements over Iraq’s invasion of Kuwait, the Gulf War, and sanctions against Iraq.

These proposals included: reaffirming respect for the independence and sovereignty of Kuwait, ensuring its security and territorial integrity inside internationally recognized borders, non-interference in its internal affairs, and the reaffirmation of Iraq’s commitment to that and asking it to take all necessary measures to ensure respect for those obligations; reaffirming the independence and the sovereignty of Iraq, its territorial integrity and regional security, non-interference in its internal affairs, and demanding an end to all that it is being subjected to, in terms of actions and measures that are touching upon its sovereignty and threatening its security, especially those taken outside the framework of the pertinent UN Security Council resolutions, i.e., the military strikes.

This is a direct attack on the Anglo-American bombing in the so-called no-fly zones in southern and northern Iraq.

Furthermore, it means that Kuwait and Saudi Arabia should refrain from providing bases for the American and British forces targeting Iraq.

The communiqué also called on Iraq to complete all commitments to the problem of prisoners of war, missing Kuwaitis and others, and returning Kuwaiti properties; demanded an end to all unresolved problems related to weapons of mass destruction and weapons control through negotiations between Iraq and the UN Security Council; called for the lifting of sanctions imposed on Iraq; and urged all necessary measures to resume commercial flights with Iraq.

The Iraqi criticism was directed against the demand placed upon Iraq to “reaffirm” its “commitment” to the security of Kuwait. Iraqi officials said that Iraq has already acknowledged Kuwait’s sovereignty and borders, and they expressed dismay at the fact that the Arab states only called for lifting the sanctions and will not endeavor to lift them unilaterally, as the Iraqis have demanded.

The Arab states decided to assign the King of Jordan, Abdullah II, the mission of carrying out a “reconciliation effort” to solve the problems between Iraq and Kuwait, and included that in the final communiqué.

Economic Cooperation

In the days leading up to the summit, and during its sessions, an important memo prepared by *EIR* on an economic

development strategy for the Arab world, was circulated among governments and in the Arabic press. The “open memo,” in Arabic, was published on the Internet in the London-based Middle East Online, on March 16 and again on the opening day of the summit. The memo, which was prepared by this author, informed the Arab leaders of the work of Lyndon LaRouche and *EIR* for a New Bretton Woods global financial system and for the construction of the New Silk Road, or Eurasian Land-Bridge, as programs through which the Arab nations could “assume an honorable position among the ranks of other great nations in the march toward a new humanist civilization in the 21st Century.”

The memo, which was published in other Arabic press as well, outlined the collapse of the speculative, post-industrial International Monetary Fund system, the hyperinflationary trend in the Western financial policies since the Asia crisis and the Y2K bubble, the demise of the U.S. economy as the importer of last resort, and the alternative represented by LaRouche’s proposal for a New Bretton Woods financial reorganization.

The 16-page memo included four maps, dealing extensively with the Eurasian Land-Bridge and LaRouche’s Oasis Plan for economic development of the Middle East, including provision of large amounts of fresh water through nuclear desalination. One Arab League official who had received the memo remarked to *EIR* on March 15, “This is worth discuss-

ing in the preparations for the summit,” particularly at the meeting of the economic experts on March 18, and among the member-states, which were to refer ideas on “Arab economic integration and cooperation” to the ministers of economy and finance, meeting on March 23.

At the summit, the idea of economic integration was the centerpiece of debate. Egypt and Jordan made an important effort to make economic cooperation and integration among the Arab countries an official commitment by the member states. In his speech, Egypt’s President Mubarak emphasized the importance of creating a strong Arab economic bloc, in the face of globalization and the emergence of regional blocs and alliances. He said that he presented a number of proposals for the summit to discuss. “In the light of accelerating economic developments that the world witnesses, the economic dimension in joint Arab action has become more pressing and essential. In this connection, Egypt has submitted a request to list three new items on the agenda of our conference to activate joint economic action,” he said.

The proposals are related to activating the “free trade agreement” among the Arab countries, and creating a customs union. They also include specific practicable ideas and proposals to create linkages among Arab countries in terms of joint infrastructure systems, including transport facilities, telecommunications, establishment of gas, oil, and electricity transfer networks, in addition to enhancing the investment of Arab capital and finances in Arab national agro-industrial projects.

The second item relates to Egypt’s proposal for an Arab economic conference to be held in Cairo in November 2001. Participants would include all Arab countries, Arab economic institutions, and major international corporations operating in the Arab region. The third item relates to establishing Arab cooperation in the field of information and communications technology.

Arab leaders endorsed all these proposals and assigned the Economic and Social Council of the Arab League to establish the mechanisms for following and studying them in order to present them to the member states before the November economic summit.

This new inter-Arab economic cooperation will automatically replace the Middle East and North Africa economic cooperation forum, which was created after the Israeli-Palestinian peace agreement was signed in Oslo, and has been supported by the European Union as a vehicle to establish economic cooperation between the Arabs and Israel.

With the imminent threat of war coming from both the Sharon government and the U.S. Bush Administration, it is very difficult to say whether any of the positive developments achieved in the Arab summit will ever become reality. No one in the region is pretending that these problems can be solved by the Arab states alone. But, a basic shift in economic-policy thinking has taken place among them, toward Eurasian economic reconstruction as a whole.

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Egypt Links Peace to Economic Development

by Muriel Mirak-Weissbach

Despite the darkening clouds on the horizon in the Middle East, Egypt has maintained a firm commitment to what it calls its strategic option for peace. Convinced that, whether this year, or next, or in ten years, peace will be achieved, the Egyptian government has embarked on several infrastructure projects, aimed at developing its own internal transportation arteries, and linking them up to neighboring countries. The thinking is that Egypt, in this way, will be in a position to reap the benefits of peace, by having established infrastructure connections, especially through the Arab world, but also into Central Asia and Europe.

Transportation Minister Dr. Ibrahim El Demeiry briefed a select group of German industrialists on his country's perspective, during a short visit to Berlin on March 2. He outlined what the country has achieved in this area over the past 20 years (Egypt signed a peace treaty with Israel in 1978), and what it intends to do over the next 20-30 years, focussing on highways, railways, subways, waterways and ports, and airports.

Roads and Rail Lines

Take the road network, for example, which has been increased 300% in the last 20 years: Dr. El Demeiry estimated that within 30 years, Egypt will have as extensive a system as Germany's *autobahn* highway network. The future network of freeways is to extend from Egypt's western borders, along the Mediterranean coast, eastward to Rafah, in Palestine; if peace comes, the roadways will be extended through Israel, into Europe. At the same time, roughly parallel lines will run north to south on the western and eastern sides of the Nile River, connected by four east-west bridges. The major participant in the project, outside of Egyptian groups, is the Bin Laden Saudi construction firm (not to be confused with the terrorist). Egypt has made an arrangement whereby the Saudi group will gain rights to land alongside the road routes, which it can develop industrially, in order to recover the costs of its initial investment.

The rail plan is articulated in phases, whereby existing lines will be electrified, beginning with the Alexandria-Cairo link, to be completed this year. The existing network, of 1,400 kilometers double, and 3,600 km single track, will be expanded to establish modern links from Cairo, through Rafah,

to Israel, Lebanon, Syria, and Turkey, eastwards, and westwards, to Rabat. A new line is being built west of the Nile, from Alexandria to Giza, with a high-speed train, which will reduce travel time to 40 minutes. The second phase of the high-speed train lines will connect to Assout and to Aswan, within ten years. The German electromagnetically levitated Transrapid is among the high-speed trains under consideration. An executive director of Transrapid, present at the Berlin briefing, raised the issue, and heard from the Minister that he was most interested in such a technology for connecting the satellite cities, which Egypt has built in the last decades, with the capital. From there, the Transrapid could be extended further, west, east, and south.

In addition to the lines, Egypt plans to upgrade its facilities to produce rolling stock and coaches, for domestic use as well as for export, with the cooperation of Japanese and other groups. Saudi Arabia, Libya, and Syria are already engaged in improving Egypt's railways.

The importance of rail connections, both economically and politically, was stressed in the Berlin discussion, with reference back to Egyptian President Hosni Mubarak's statements in March 2000, on the "Railway of Peace," in which he reiterated his country's "strategic option." It was also mentioned, that, although it has not been publicized, Israeli and Palestinian negotiators had been discussing these rail links for the past two years, and that former Israeli Prime Minister Ehud Barak had indicated there had been agreement reached with the Palestinians on how to establish rail connections. Furthermore, it was reported that the connections envisioned with Lebanon, Syria, Turkey, Iran, and Iraq are already being completed. Syria and Lebanon, for example, have just signed an agreement to build a Beirut-Homs line.

Obviously, the extension of railways along these routes, means that Egypt would be able to link up with the transcontinental line, the Eurasian Land-Bridge, or New Silk Road, going to China. One initiative being launched to promote this connection, will be a rail caravan in May next year, which will travel from from Spain to Alexandria, to Cairo, and on to Amman, Syria, Turkey, Iran, ending up in Samarkand, Uzbekistan.

Within the major cities of Cairo and Alexandria, urgently needed subway systems are being constructed. Cairo, which will expand its two lines to six, plans to be able to transport 60,000 passengers per hour, which will greatly alleviate the legendary traffic in the city, with its 1.5 million cars.

For maritime travel, which is extensive for Egypt, there are plans to expand East Port Said, to make it into a modern port, like Hamburg, to be able to handle 3.6 million containers per year, three times current capacity. The Al-Sukhna port, on the Gulf of Suez, is also nearing completion.

Finally, air transportation is to be expanded, with the construction of numerous new airports, not only to service the immense tourist traffic, but also to make it possible for Egypt to export its agricultural produce.