

When we ratified the Camp David agreement in the Knesset, Sharon and Geula Cohen astonishingly voted with the Communists—what I call the “Soviet Church Communists”—against the accord. I tried to probe them, I said to their leader, “You, who call yourselves Marxist-Leninists, socialists, should be for peace, but you have problems with the Soviets. Okay, then abstain, but don’t vote against it, don’t vote with Moshe Arens and Geula Cohen.” He didn’t listen.

EIR: What do you think the Palestinians should do about the Marshall Plan?

Pa’il: They should be for it, all out. Whatever Palestinian entity, state or whatever comes into being, it wouldn’t be economically viable without open borders and excellent connections to Israel, Syria, Jordan and Saudi Arabia. After the establishment of peace, the Marshall Plan would be a form of economic rescue, to save them from poverty. The Palestinians don’t have the advantage Israel has, of being a bridgehead to Europe. If there is peace, I hope to see Israeli communities in Iraq, Syria, and Iran again; and Arab communities in Israel. Why not? I can envision something like a “United States of the Middle East.”

EIR: One of the major problems lying in the way of development is the massive debt both Israel and Egypt have. What do you think of their jointly renegotiating it, to release development resources?

Pa’il: It is an excellent idea. But the problem is, the peace process stopped after Sadat, because he and others thought that the Egypt-Israel axis would broaden to Jordan, Saudi Arabia and so on. Since this process has not continued, Egypt sees its economic-political cooperation with Israel as a disadvantage to them in the eyes of the Arab world. Who is to blame? We Israelis, Begin, Shamir and, at least until the Marshall Plan, also Peres.

The Taba issue is an excellent example of the delaying tactic that they have been using. Here is a piece of land, less than one square mile. The Israeli authorities are delaying; once the first step is taken towards Jordan and the Palestinians together, the economic renaissance between Israel and Egypt would continue between Jordan and Israel. If Syria were to join, so much the better. Here there is the other problem of the Israeli authorities and public opinion: Psychologically, the Israelis have been caught in a trap by these territories. Just imagine: There is an Egyptian pipeline from the Nile to El Arish, all along the Sinai northern coast. To build a continuing pipeline to Israel is not difficult, but for Egypt to do it, means that nation would be called a Quisling. We have water problems. Israel has just found deep water in the Negev Mountains, which could be used, mixed with Galilee waters. But waters from the Nile would be even better. Even disregarding the IMF problem, pipelines could be built, paid for with Israeli goods to Egypt.

Interview: Yitzhak Artzi

Goal: cooperation among enemies

Yitzhak Artzi is a Member of Knesset from the Independent Liberal Party.

EIR: What can you tell us about the Mideast Marshall Plan?

Artzi: The choice of the name is already indicative of the concept. The original Marshall Plan aimed at recovering the European economy torn by war, but its basis was cooperation among former enemies. This is the reason why Peres and his advisers took this notion.

EIR: What is its basic idea?

Artzi: Since oil prices are down, and the financial situation of European and American consumers is improved, an international fund should be set up to operate in the Middle East, as well as perhaps in the developing sector, to solve the basic problems of those countries. A body would be set up with the special assignment to help Middle East countries and develop development plans. The political thinking is to create an area of mutual interest *above* the reality of war, by creating areas

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of strong cooperation. This requires meetings, discussions, and direct contact; it means spreading knowledge of it among the masses. It could improve the climate between Israel and the Arab countries, and be a complement to efforts for peace. The idea is to disconnect the political effort from the economic one, to reach, through international agreement, a situation where two countries technically in a state of war, are cooperating in plans vital for their future.

EIR: What are some of the specific areas of cooperation considered?

Artzi: First is water. Israel has a water shortage, Syria is suffering, too. Nile water could be used for both. Also, the Yarmouk River in Jordan, whose resources are currently not

being fully exploited, could increase the water supply for Jordan and Israel. Cooperation with Jordan could help solve the problem of soil erosion caused by the Dead Sea.

Another important area is tourism. If we could offer package tours to Israel, Jordan, and Egypt, it would increase the flow of people into the area. This could be accomplished if the ministers of tourism came together to guarantee safety from terrorism.

EIR: What have the reactions to the Marshall Plan been, in the Knesset?

Artzi: It has never really been discussed there formally, but has been brought up in the framework of Peres's trips and reports. Right now it depends on the big powers in the West, to set up the funds, or go for the idea. The Marshall Plan may change the whole region in a revolutionary way.

Interview: Professor Ze'ev Hirsch

The Hammer Fund: free-trade zones

Ze'ev Hirsch, chairman of the Armand Hammer Fund for Economic Cooperation in the Middle East, is a professor at Tel Aviv University. The Hammer group sponsored a conference at the university in June, where this interview took place.

EIR: Could you tell us about the Hammer Project?

Hirsch: Prof. Ben-Shahar, in his opening speech to this conference, went through this. The work conducted through the Hammer Fund at the Tel Aviv University goes back to before [the late Egyptian President Anwar] Sadat's visit here. The idea was that peace should be taken seriously, and that once peace is established, economic considerations will become relevant, in which we want to minimize rivalries among nations and maximize benefits. We started thinking, then, what sort of economic approach we should have, once there is a political settlement. The president of the Tel Aviv University at the time, Prof. [Haim] Ben-Shahar, wanted to involve Americans financially in the area. David Rockefeller had been helpful in the early stages of negotiations between Egypt and Israel, but lowered his profile later, when it was clear the peace process would not encompass the rest of the region. Hammer intervened later; he is a person who sees opportunities offered by political changes. Ben-Shahar persuaded him to support a group working here at the Tel Aviv University. We worked on meetings, bilateral and multilat-

eral, among those of the region, to develop thinking on economic development.

EIR: This sounds like the Marshall Plan, which Prime Minister Peres has launched. Is there a connection?

Hirsch: No. The Marshall Plan is a government plan. The Hammer Fund is an independent project. We worked on projects which could be useful if the Marshall Plan were implemented. If adopted, our projects for joint Egyptian-Israeli cooperation, could receive funding.

EIR: What kind of development plans have you proposed?

Hirsch: For example, a port at Gaza could be used by Israel, the West Bank, and Jordan, as well as the Gulf states. It requires only Israel's and Jordan's agreement to allow goods to enter the port. The port would be run by Arabs, it would be an Arab enterprise, not an Israeli state enterprise. Other projects contemplate utilization of Nile River water for Gaza and the Negev desert, which would allow Israel to provide its water to the West Bank. Or, joint fertilizer production: currently Egypt and Israel each have some but not all of the basic raw materials for fertilizers; if they pooled these materials, they could jointly produce fertilizers.

EIR: The Mideast "Marshall Plan," according to Minister Ya'acobi, calls for nuclear energy plants in the Negev. What is your group's approach? Do you agree?

Hirsch: No. The first priority we see, in the energy field, is the sale of Egyptian gas to Israel, which could be accomplished through a pipeline.

EIR: The Hammer group talks a lot about free enterprise zones and free trade zones. Can you explain this?

Hirsch: These free trade zones would facilitate joint ventures between interests in different countries, without forcing the countries into cooperation. Egypt and Israel already have them.

"Armand Hammer is a master at combining political and commercial opportunities. This was clear in his entering deals with Russia, at the time of Lenin's New Economic Program."

EIR: What is Armand Hammer's interest specifically here?

Hirsch: I can only guess at it, but I know he is a master at combining political and commercial opportunities. This was clear in his entering deals with Russia, at the time of Lenin's New Economic Program.