

Clinton throws support to Mideast development bank

by William Jones

The whirlwind three-day visit to the Mideast by President Bill Clinton on Oct. 26-28 gave a significant boost to the Mideast peace process, threatened by a rash of terrorist actions, culminating in the Oct. 20 bombing of a bus in a tourist area of Tel Aviv, in which some 20 people died. This led to the Israelis' temporarily closing the border to the Palestinian-controlled Gaza Strip and West Bank, preventing access to Israel for many Palestinians working there.

The bus bombing was the third terrorist incident in a number of weeks. On Oct. 9, two terrorists, armed with automatic weapons, grenades, and explosives, ran amok in a well-trafficked commercial district of Jerusalem, killing one person and wounding nine others. A Hamas leaflet called the action the fourth revenge attack for the Machpela Cave massacre last February, where Kach extremist Baruch Goldstein sprayed Muslims at prayer in a mosque with a machine gun. Then on Oct. 11, the Izzadin Kassam, the armed wing of Hamas, announced that they had kidnapped Nachshon Waxman, an Israeli soldier. When Israeli intelligence, assisted by the Palestinians, found out where Waxman was being held, a commando team from the Israeli Defense Forces was sent to try to free him, but the soldier was killed by the terrorists before the team succeeded in entering the house. The terrorists claimed that they were responding to the earlier machine-gunning of Muslim worshippers by Baruch Goldstein.

The Israeli counter-measures, including shutting off the border to Gaza, caused bitter reactions from Yasser Arafat and the Palestinian National Authority, themselves a political target of the Hamas, which is unequivocally opposed to the Palestine Liberation Organization agreement with Israel. President Clinton's visit was meant to help keep the peace process on track in spite of the increase in terrorism.

The official reason for the visit was an invitation to the

President to attend the signing of the Israeli-Jordanian treaty, the second major peace accord since the signing of the PLO-Israeli Declaration of Principles in October 1993. President Clinton used the opportunity to visit all the major Arab countries in the area, speaking with Chairman Arafat and Egypt's President Hosni Mubarak in Cairo, and making a special trip to Damascus to discuss with President Hafez al-Assad in an attempt to move forward Syrian-Israeli negotiations—without a doubt the most difficult of the “legs” of any comprehensive Mideast peace agreement.

Clinton to terrorists: ‘You will not succeed’

The devastating psychological effect of the latest terrorist actions was the principal issue with which President Clinton had to deal. In his talks with Arafat, Clinton stressed that he wanted a 100% effort in cracking down on the terrorists. In his speech to the Jordanian parliament on Oct. 26, the President said, “On the one side stand the forces of terror and extremism, who cloak themselves in the rhetoric of religion and nationalism, but behave in ways that contradict the very teachings of their faith and mock their patriotism. These forces of reaction feed on disillusionment, on poverty, on despair. They stoke the fires of violence.”

“They seek to destroy the progress of this peace,” Clinton warned. “To them, I say, you cannot succeed; you will not succeed; you must not succeed, for you are the past, not the future.” The next day, in the Israeli parliament, the Knesset, Clinton would come back to his theme: “The real fight is not about religion or culture. It is about a worldwide conflict between those who believe in peace and those who believe in terror; those who believe in hope and those who believe in fear.”

Terrorism was undoubtedly also on the Clinton agenda when the President made a short detour to Damascus, long a

free haven for a variety of terrorist groups. He met with President Assad in a small, formal session with advisers for about two hours, and then held a one-on-one session with the Syrian President for about 45 minutes. In private, according to a background briefing from a senior administration official, Assad condemned both the terrorist actions of Baruch Goldstein at the Tomb of the Patriarchs and the bus bombing by Hamas in Tel Aviv. When questioned later in the day at a press conference with President Clinton, Assad declined to repeat his private condemnation, brushing aside as slander any accusations that Syria had ever been involved in terrorism. The Clinton administration had been hoping for some more public statements from Assad on the terrorism issue in order to try to edge the discussions forward.

Little headway was made on the other sensitive issue in the Syrian-Israeli talks: the Golan Heights, occupied by Israel during the Six Day War. Syria is demanding a full Israeli withdrawal from the heights before a peace can be signed. Rabin, fully aware of the strategic importance of the Golan Heights for Israeli defense with Syrian armored forces capable of occupying the heights not many miles away, was not ready to agree to any withdrawal without definite assurances for Israel's security. One proposal mooted to alleviate those fears would be to station U.S. troops on the Golan Heights to monitor the withdrawal and safeguard against a possible Syrian attack.

Still, the administration expressed optimism over the smaller overtures that the Assad regime has made toward finding common ground with the Israelis: Assad mentioned Israel by name in his comments on establishing good relations among all the nations of the Middle East, and the Syrian foreign minister made his first-ever appearance on Israeli TV on Oct. 7. Foreign Minister Farouk Shara told the Israeli viewers that "we have to put the past behind us." A senior Clinton administration official assured reporters on Oct. 27 that the Syrians "continue to take small steps toward the Israelis."

Financing the 'Oasis' plan

Most importantly, President Clinton used the occasion of his Mideast trip to give his full support to the Peres proposal for establishing a Mideast Development Bank, which could finance sorely needed infrastructure projects in the Mideast. It was clear from the outset that without a full development program, with investments in energy production, water development, and transportation, Israelis and Palestinians would soon be at war again.

Already in the mid-1970s, these questions had been broached by physical economist Lyndon LaRouche, who, in discussions with both Israeli and Palestinian representatives then, had emphasized that viable political peace agreements would never work unless the Mideast were transformed, on the basis of Israeli-Arab economic cooperation, into an "oasis" of economic development. These projects would include, LaRouche had stressed, a Mediterranean-Dead Sea Canal and a Dead Sea-Red Sea Canal along whose banks

water desalination and power generation capabilities would turn the desert into a garden. LaRouche's "Oasis" concept has become an integral part of the Mideast peace discussion, reemphasized again by Israeli Prime Minister Yitzhak Rabin in his speech at the signing of the Israeli-Jordanian accords in the Arava Desert. "Such were the relations between Israel and Jordan during the last 47 years, a desert," Rabin said, "not even one green leaf, no trees, not even a single flower." "We are the ones who will transform this barren place into a fertile oasis," Rabin continued, "that the red-browns and the dark grays will burst forth in vibrant greens." Also at the signing ceremonies, King Hussein of Jordan, looking at the desert separating the two countries, called on the two peoples "to build it and to make it bloom as never before."

Since the Israel-PLO agreements were signed last year, however, such development projects have pretty much been on hold. Worse, many of these projects have been put under the control of the World Bank, whose aversion to economic development is legendary. In order to facilitate such projects, therefore, the Israeli Foreign Ministry under Shimon Peres has proposed establishing a regional development bank, which could start operations without the restrictions always tied to World Bank funding.

The World Bank has continually tried to sabotage this proposal and has unfortunately received important backing from the U.S. Treasury Department, which complained that such a regional bank would be too much like the European Bank for Reconstruction and Development (EBRD). Treasury claimed that the EBRD, which has been involved in the financing of some very successful projects in eastern Europe, had a "poor performance record."

At a meeting of the Regional Development Working Group in Cairo on Oct. 10, support was given to the Mideast Development Bank. The Working Group, a result of the earlier Mideast multilateral talks at Madrid, consists of representatives from Egypt, Jordan, Israel, and the Palestinians. But what counted most was the support given to the development bank by the U.S. President.

In his speech before the Jordanian Parliament on Oct. 26, President Clinton said, "Making these dreams real, of course, will require new investment and new capital. To that end, the United States supports the creation of a Middle East Bank for Cooperation and Development." The President's comments were met by applause from the Jordanian parliamentarians.

Nevertheless, during the Mideast-North Africa economic conference, held in Casablanca, Morocco on Oct. 30-Nov. 2, opposition seems to have put the development bank in the category of issues subject to "further study" at least until the beginning of 1995. The resistance to the bank from some Arab Gulf states such as Saudi Arabia, and from the western apologists for World Bank "dictatorship," could soon slam shut the narrow window of opportunity for peace opened up by the Israeli-Palestinian Declaration of Principles one year ago.