

Soviet-Dope, Inc. coalition makes war on Peres 'Marshall Plan' proposal

by Mark Burdman

In the two-week period following Israeli Prime Minister Shimon Peres' April 1-3 trip to the United States and his enunciation of a "Marshall Plan" for the comprehensive economic development of the Middle East region, that Peres proposal has become a focus of intense international polarization and debate.

On the one hand, Peres himself, and his economics and planning minister Gad Ya'acobi, have insisted on their commitment to seeing this plan through, and on the benefits it would have to an economic crisis ridden Middle East. On the other hand, a "strange-bedfellows" coalition of the Soviet government, Israeli Gen. Ariel Sharon, and the semi-official press mouthpieces of the City of London and New York bankers, has formed to declare their total opposition to the "Marshall Plan" idea.

In Israel itself, the "Marshall Plan" is the main, underlying issue of political debate and polarization, even if certain issues—like Peres's April 8 declaration that "Israel recognizes the Palestinian nation," or the still-unresolved battle for power within Israel's Labor Party-Likud Party coalition government—are up front in the headlines. But even Peres's triumph, in forcing Yitzhak Modai out of his post as Israel's finance minister, during the course of the weekly Israeli Cabinet meeting on April 13, can be seen as a tactical victory for the "Marshall Plan," as Modai, an ally of Sharon and the International Monetary Fund, is a strong opponent of Peres's proposal.

What is emerging, is a sharp international debate over the necessary responses to the economic crises in the Middle East, which are affecting *both* the Arab nations and Israel.

In what follows, *EIR* presents some of the excerpts of the debate over the Marshall Plan, from the protagonists in the fight themselves.

Motivations behind the Peres proposal

Jerusalem Post, Sunday, April 6 (headline): "Peres Says He Favours Strong Arab Economies" (Text): "Israel wants the economic situation of the Arab states to be 'strong enough to enable them to seek peace,' Prime Minister Peres said last night.

"Speaking at an International Israel Bonds conference . . . Peres indicated that his proposal for a 'Marshall Plan for the Middle East' is motivated by his concern that the entire

situation in the region could be shaken by the continuing drop in the price of oil.

"The time has come, he said, for the developed countries 'to supply the infrastructure to assure the supply of oil.'"

Jerusalem Post, Sunday, April 6, carried an op-ed by Economics and Planning Minister Gad Ya'acobi, who had three days earlier given an interview to *EIR*, describing the "Marshall Plan" as a "comprehensive economic development plan" for the Middle East. Ya'acobi, one of the chief architects of the Marshall Plan in the Peres cabinet, wrote his op-ed, to stress the necessary directions for Israel's own development over the coming years, in the context of a development plan for the region. Many of Yaacobi's formulations are similar to those put forward in a December 1983 White Paper on a proposed long-term economic development perspective for Israel, put forward by *EIR* founder Lyndon H. LaRouche, Jr.:

"Israel is currently at the apex of its struggle to maintain a democratic state and society. This state must be based on a modern economy—with advanced technological and scientific sectors, on a strong military to deter and defend against aggression, and a commitment to cultural excellence. . . .

"Our economic and social potential is enormous. We have proved it in the past. At times our economy and population grew at unprecedented rates for the 20th century. What we did before—we can do again. . . .

"Our high-tech industry and R&D, partly spurred by our defence efforts, are among the best in the world, and allow us to move forward to the next stage of our economic, scientific and social development. . . .

"All of these factors create the potential for renewed growth. In order to trigger that growth . . . a new partnership is needed between Israel and the Diaspora. . . .

". . . In order to command its own future, Israel must experience new industrial, scientific, and academic revolutions.

"For Diaspora Jews, who are among the best educated and most highly skilled group in the West today, joining in a new partnership with Israel will mean a chance to be taken seriously, as equal partners in a joint enterprise. In shaping the future of the Jewish State and the Jewish people, the Diaspora will have input at all levels. . . .

"We must focus our resources on the pursuit of excellence

in scientific and technological research and development, in education and cultural expression, and in economic achievement. . . .”

‘Strange bedfellows’ war against the plan

The following attacks on the Peres-Ya’acobi economic perspective have been monitored by *EIR*. We present them in chronological order:

April 6: The Soviet government newspaper *Izvestia*, in a dispatch from Beirut, Lebanon, written by correspondent V. Lashkul: “The United States is rendering extraordinary financial support to Israel in the sum of \$375 million. This was reported by Israeli Prime Minister Peres upon his return from abroad. . . . After his trip to the U.S.A., Peres has again begun to talk about a Middle East development plan according to the [post-World War II] American model, once again attempting to befriend certain Arab regimes on the basis of a ‘strategic alliance.’ In other words, to push ‘American-style’ capitulation, in place of a radical and just solution to Middle East problems, especially the Palestinian problem.”

April 7: The *Jerusalem Post*, reporting on the evening before’s weekly Sunday cabinet session, headlined, “Sharon Scorns Peres Proposal for Mideast ‘Marshall Plan.’” The *Post* reported: “Sharon said the Arab states would increase their strength if Peres succeeded in convincing the major industrial powers to provide massive economic aid to the region, as the U.S. had granted Europe under the original Marshall Plan during World War Two.” The *Post* quoted Sharon, attacking Peres “scornfully”: “Just for the sake of some public relations gimmick, are you prepared to weaken the State of Israel? What possible benefit do you see in building up the power of the Arabs? What reason can you have for suggesting massive aid to Saudi Arabia and Syria?”

April 10: Again, *Izvestia*, this time correspondent Konstantin Geyvandov, just returned from a trip to the Middle East: “After Peres’ visit to the U.S., he announced that the U.S. and Israel started discussions concerning . . . [a] ‘Marshall Plan’ for the development of the countries of the Middle East, so as to create a more congenial atmosphere towards achieving peace in the region. . . . What can we say about that? First, if such a multi-billion dollar fund is going to be created, the lion’s share of the money collected will go to Israel. With only one difference: the bulk of the expenses which will go for sustaining the chronic crises of Israel’s economy will have to be shared by Washington, its West European allies, and Japan, who are being drawn into the financial fund. And, secondly, if after that, the Middle East variant of the ‘Marshall Plan’ has any money left over, then the American-Israeli partners, without question, are counting on it to finance [their] planned separate and capitulative deals [with the Arabs].”

April 10: The *Wall Street Journal*, mouthpiece of the New York banking community, whose chief editor, Robert Bartley, has been a member of David Rockefeller’s Trilateral Commission, wrote an editorial entitled, “The Peres Gam-



Gen. Ariel Sharon, at a New York press conference in August 1982.

bit,” which said, in part: “Mr. Peres has just visited the United States to ask for more aid. . . . All U.S. aid should be put on hold until it is known whether Israel is going to be have any economic policies worth supporting. That probably won’t be the case if Mr. Peres wins [his political fight against Finance Minister Modai]. . . . Years of socialist rule . . . have turned Israel into an economic basket case. . . . U.S. policy [now is] to direct help only to those countries willing to adopt the right policies for helping themselves. What Israel needs to be told by the Reagan Administration is that America won’t pay to socialize the country’s economy.” (*Nota bene*: On the same day, April 10, *EIR* received information from a Rome source that the Trilateral Commission was taking credit for having authored the “Marshall Plan” in the first place! This curious piece of disinformation was being circulated by Italian Trilateralist Arrigo Levi, a friend of Henry Kissinger and David Rockefeller and columnist for the daily *La Stampa*, who had written a Trilateral Commission report on the Middle East, issued in 1984.)

April 12: The London *Economist*, the weekly mouthpiece of the City of London banking elites, had the following to say, en passant, in its April 12 lead editorial, entitled, “The Third World Smiles”: “Money is not what counts—but how it is used—and that depends on the economic policies of governments, and how businesses and farmers respond to them. Nothing could be more irrelevant than the idea proposed by Israel’s prime minister last week. He wants the West to finance a Marshall plan for the Middle East, a region which had about an extra 3% of gross world product thrown at it for most of an OPEC-dominated decade. Largesesse is often lethal, disguising the consequences of bad economic policies until it is too late.”