

Mideast leaders to meet with Bush

by Jeff Steinberg and Scott Thompson

As this issue goes to press, key Mideast government heads are slated to travel to Washington for meetings with President George Bush. On April 3, Egyptian President Hosni Mubarak visits Washington, followed on April 6 by Israeli Prime Minister Yitzhak Shamir. On May 2, Jordanian King Hussein will arrive. All the signs are that Bush will preserve his reputation as the able captain on the good ship *Titanic*, trying to preserve the status quo in the fast-disintegrating region.

On March 21, White House spokesman Marlin Fitzwater said: "The President is committed to moving the peace process forward and anticipates a useful exchange of views with key regional leaders. . . [but] he's not presenting a new initiative." Washington is in fact promoting austerity, as the chief enforcer for the International Monetary Fund (IMF), which threatens to knock out one of the major props for peace in the Middle East, namely Egypt, which carries some \$44 billion in foreign debt.

During the first week of March, James Baker's State Department warned that no U.S. aid will be forthcoming to Egypt in 1989, unless Cairo swallows the full list of IMF budget-cutting demands by June. Among those IMF conditionalities supported by Washington is the demand for cuts in government subsidies on food, a measure which Egyptian officials know will lead to widespread social unrest, fanned by Islamic-fanatic opponents of the moderate government.

Washington has already made clear that Jordan—another moderate country essential to any solution to the Palestinian problem—will be placed on the IMF chopping block. Jordan has been threatened with an aid cutoff, unless it complies with IMF austerity, and an IMF delegation has just arrived in Jordan after Saudi Arabia refused further economic help. Once again, the IMF is demanding an end to food subsidies, knowing that because of bad weather, this will mean a massive price hike and food shortages for most Jordanians.

The Saudis have likewise refused any significant aid to Egypt. The U.S. State Department announced in early March that it is coordinating with the Gulf oil producers to ensure that poorer countries like Egypt comply with IMF conditionalities. This issue of obeying IMF dictates will be one of the major topics that Egyptian President Mubarak will raise in Washington, according to confidential sources. President Mubarak has announced that if he fails to sway President Bush, then he will convene an International Conference of

Indebted Countries in Cairo to find alternatives to the policies of the IMF, World Bank, and the so-called Brady Plan of the Bush administration. A few days before Mubarak said this, an article in the Paris-based *Koll al-Arab* magazine called for convening the conference in Cairo on June 1, just prior to the next round of Egypt-IMF negotiations and the threatened aid cut-off by Washington.

Peace and economic progress

This focus upon economics was also part of the discussion at the March 11-13 Road to Peace Conference in New York City, which, for the first time in the United States, brought together members of the Israeli Knesset with members of the Palestine National Council. Several of those interviewed by *EIR* showed that they had given a great deal of thought to the necessity for a "Marshall Plan" or development fund to accompany any peace proposal that had a serious chance for reaching a durable peace. Ratz Party leader Mordechai Bar-On envisaged a development fund financing such projects as nuclear-powered desalinization of water (see below).

Otherwise, issues that set the participants apart, as the following interviews highlight, are the proper response to a series of U.S. "confidence-building" measures that were leaked by a "senior official" of the Bush administration to Thomas L. Friedman of the *New York Times* on March 12. These proposals, which do not even hint of any full solution to the Arab-Israeli conflict, are supposed to have been presented to the PLO at the March 23 meeting between U.S. Ambassador to Tunisia Robert Pelletreau and a PLO delegation directed by executive committee member Yasser Abed Rabbo. Basically, according to the *Times* report, the confidence-building measures focus upon interim steps that include winding down the *Intifada*, or uprising (even the cessation of distributing "inflammatory leaflets") in exchange for steps to ease the military and economic conditions of the occupation. Such steps were likely to be presented to Shamir on his U.S. visit.

As the following interview with Dr. Nabil Shaath, a PNC member and head of the PNC's political committee, highlights, the PLO will not seriously discuss such interim steps until the U.S. has committed itself to the vision of a two-state solution to the Mideast crisis. However, Gen. Matti Peled told *EIR* that the Bush administration proposal was positive, because it moved the U.S.-PLO dialogue into areas of real substance.

The same disagreement over the Bush proposals at the Road to Peace conference, appears to have occurred between the two sides of the U.S.-PLO dialogue when they met for four hours in Tunis on March 23. After the meeting, Yasser Abed Rabbo echoed Dr. Nabil Shaath, to tell the press: "Any measures to create an appropriate atmosphere . . . must start first with the recognition of our people's right to self-determination and an independent state and also with an end to the occupation."