

# Kerry and Blair's \$4 Billion Mystery Plan for Palestine: Crony capitalism under the guise of peace?

By [Max Blumenthal](#)

Global Research, June 06, 2013

[Mondoweiss](#) 31 May 2013

Region: [Middle East & North Africa](#)

Theme: [Global Economy](#)

In-depth Report: [PALESTINE](#)

*U.S. Secretary of State John Kerry discusses Middle East peace with Quartet Representative Tony Blair at the Villa Taverna, the U.S. ambassador's residence in Rome, Italy, on May 9, 2013.*

*(Photo, and caption: [U.S. State Department](#))*

The recent World Economic Forum in Amman, Jordan, was billed as the Obama administration's milestone moment for reviving the comatose US-led peace process. Announced days before in a nationally televised address by the President, Secretary of State John Kerry appeared at the forum to lift sinking hopes about the possibility of a two state solution.

Upon arriving, Kerry took in speeches by two billionaires who sought to claim leading roles in the cause of peace: the Israeli high tech baron Yossi Vardi, and Munib Al-Masri, the Palestinian oligarch known as the "Duke of Nablus" for his Italian revival style mansion, which sits on a hill above the poverty stricken Balata Refugee Camp.



Peres, Kerry and Abbas (Photo: [Associated Press](#))

Next, Kerry arranged a handshake between Palestinian Authority President Mahmoud Abbas and Israeli President Shimon Peres, bringing two unelected figures together for a symbolic photo-op intended to summon fond memories of the halcyon days of Oslo. And finally, the Secretary stood at the lectern to tell his rapt audience about "a plan for the Palestinian economy that is bigger, bolder and more ambitious than anything proposed" in the last two decades.

In a [speech](#) brimming with optimism, Kerry introduced an ambitious initiative that promised to turn the whole situation around. Calling it, "Breaking The Impasse," Kerry claimed the plan would triple tourism to the occupied Palestinian territories, double or triple Palestinian agriculture production, increase the Palestinian GDP by 50 percent, and foster the construction of a whopping 100,000 new, energy efficient Palestinian homes in the West Bank.

Kerry gushed about a dream team of "experts" that had supposedly gathered to implement the project. Pushing back against the naysayers, he asked, "Is this a fantasy? I don't think so, because there are already great examples of investment and entrepreneurship that are working in the West Bank. We know it can be done, but we've never experienced the kind of concentrated effort that this group is talking about bringing to the table."

The word “occupation” was not uttered once in Kerry’s address.

As soon as he left the stage, Kerry hustled off to a [meeting](#) with Timothy Collins, a philanthropist and top Democratic donor who operates a leveraged buyout firm called Ripplewood Holdings. Ripplewood was most recently credited with overseeing the wholesale liquidation of Hostess, losing all of the \$130 million it invested in the firm and terminating 18,000 union jobs. “What’s happening with Hostess Brands is a microcosm of what’s wrong with America, as Bain-style Wall Street vultures make themselves rich by making America poor,” said Richard Trumka, the president of the AFL-CIO union federation.

Also on Kerry’s agenda were meetings with the foreign ministers of the United Arab Emirates and Jordan. He was a busy man – too busy, apparently, to discuss his big, bold plan with the media.

### Stonewalling Reporters, “Absurd Rhetoric”

Days later, little is known about “Breaking The Impasse.” How the plan is any different from the economic bailout George W. Bush [proposed](#) for the Palestinian Authority at the World Economic Forum in 2008 is anybody’s guess. The names of the economic dream team Kerry promoted have not been publicly revealed, nor has any reporter been able to obtain a single specific detail of the plan.

Nearly all that is known is that Tony Blair, the Special Envoy of the Quartet, had been placed in charge of the initiative.

My email and telephone queries to Ruti Winterstein, Blair’s Political and Media Advisor at the Quartet offices in Jerusalem, have not been answered. The few Jerusalem and Ramallah based reporters who requested particulars about the initiative were unable to get any answers either, with one correspondent telling me they were being stonewalled by Blair and Kerry’s people.

David Horovitz, the editor-in-chief of the Times of Israel, [said](#) he was told by “various insiders” that Kerry had been thoroughly briefed on the specifics of the plan, and that he and the economic team were due to meet during the conference. “That didn’t happen,” Horovitz wrote. In the end, Horovitz wound up mocking Kerry for his “absurd rhetoric.”

A press release posted on May 26 on the Quartet Representative’s website suggests that specifics are not immediately forthcoming, stating that the Quartet “will provide further details of the potential options for investment, job creation and economic growth in the West Bank, Gaza and East Jerusalem in due course.”

Back in 2011, Blair [declared](#) that “time was short” on reaching peace in the Middle East. This April, Kerry proclaimed that “the window for a two state solution is shutting. I think we have some period of time a year,” he warned, “a year and a half, to two years or its over.”

If the situation is so urgent, why has Blair’s office been unable to offer anything more than vague promises to get down to business “in due course?” And why was Kerry unwilling to discuss details of a plan he touted as a potential game-changer?

It may be that Kerry’s announcement was a trial balloon the authors of the initiative floated before deciding to roll out a formal blueprint. There is also the strong possibility that the big,

bold, plan was just a fantasy, after all.

Whether the plan is a non-starter or simply non-existent, it is now in the hands of Blair, an ultra-connected man on the make.

Failing upwards with Tony Blair Inc.

On the day he resigned as British PM, Blair took on the role of official envoy of the Quartet. And since that day, he has accomplished little of substance in occupied Palestine. As the veteran Israeli reporter Akiva Eldar [said](#) of Blair's work in the region, "if you judge by results, they are below zero." Even the pro-Israel Saban Center at the Brookings Institute has slammed Blair's record, [declaring](#), "The Quartet has little to show for its decade-long involvement in the peace process.... The current mechanism is too outdated, dysfunctional, and discredited to be reformed."

Blair is reportedly despised by Palestinian Authority officials, who yearn to see him clear out the luxury penthouse he rented in East Jerusalem and head back to his late-18th century Georgian townhouse in London. Already, they have [rejected](#) his "Breaking The Impasse" plan, with a PLO official telling Hugh Naylor of *The National* that the initiative was "not an alternative to resolving the political issues we face."

But Blair's gig as Quartet envoy has allowed him to remain in the international spotlight, where he cultivates an image as a tireless dealmaker wading into a seemingly intractable conflict with the best of intentions. While claiming credit for breakthroughs that few on the ground in Palestine seemed to notice, Blair established a vast business empire, advising banks, corporations, and [governments](#)— including the dictatorship of [Kazakhstan](#) — while tapping a vast web of advisors to help him ink deals around the globe. Since 2007, Blair and his network of firms have [earned over \\$90 million](#), a vivid demonstration of how Tony Blair the special envoy propels Tony Blair Inc.

In 2008, Blair took up a consulting position at JP Morgan worth around \$2 million a year, and perhaps more. Back in occupied Palestine, Blair took credit for persuading Israeli administrators to open up radio frequencies to allow the Palestinian telecom company, Wataniya, to provide service in the West Bank. The deal reaped a [major windfall profit](#) for Blair's employer, JP Morgan, which happened to have provided the \$2 billion loan that brought Wataniya into existence. Indeed, Wataniya was owned by the Qatari telecom giant QTEL, which was one of JP Morgan's top clients. Detailed in the UK Channel 4 documentary, ["The Wonderful World of Tony Blair,"](#) the lucrative deal represented crony capitalism at its crudest.

In Gaza, meanwhile, Blair has pushed to allow the development of a huge natural gas field located inside Gaza's territorial waters. Discovered by the British Gas, another client of JP Morgan, Blair stands to generate another huge profit for his employer if the field is fully developed. Already, he has [blocked](#) British Gas from selling Gaza's gas to Egypt, which would have provided it directly to Gaza, requiring the company to sell it to Israel instead.

Blair reportedly intended to funnel Gaza's gas profits into an international account controlled by Abbas, circumventing Gaza's Hamas authorities in a bid to promote economic collaboration between Israel and the PA. Given Israel's long record of [withholding revenue](#) in from the PA, and doing so in bad faith, it appears unlikely that much of the gas profits will ever make into Palestinian hands. If any of it does, it may only wind up enriching the small

circle of oligarchs who dominate the increasingly stratified Palestinian economy.

Blair's record of questionable wheeling and dealing raises serious questions about the "Breaking The Impasse" plan – to the extent that it is a plan at all. Is this initiative just another slush fund for Blair and his business partners? Will executives from JP Morgan clients like Wataniya be involved? What about Qatar's ruling Al-Thani family, who own Wataniya and are major investors in [PADICO](#), the private investment holding firm chaired by Blair's billionaire friend, Munib Al-Masri? And what role, if any, will Tim Collins, the Bain-style "vulture capitalist," play?

Though details are impossible to come by, it is hard to imagine that any plan overseen by Blair and his associates will bring much relief to ordinary Palestinians subjected to the toxic blend of military occupation and neoliberal experimentation.



U.S. Secretary of State John Kerry greets former British Prime Minister Tony Blair as the two attend the World Economic Forum in Dead Sea, Jordan, on May 26, 2013.

(Photo: [State Department](#))

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