

The Oasis Plan: Development is the key to peace in the Mideast

by Lyndon H. LaRouche, Jr.

Mr. LaRouche gave this speech, on his proposal for an "Oasis Plan" of Mideast development, to the Institute of Oriental Studies in Moscow on April 27, 1994. He was in Russia with his wife, Helga Zepp-LaRouche, for a six-day visit, at the invitation of Russian scientific circles. Subheads have been added.

I'll give an outline of my background in this area and then focus upon one particular topic, which is a very narrow part of the total Asian picture: the question of Middle East peace, focused upon cooperation at present, however unstable, between Shimon Peres on the Israeli side, and Yasser Arafat on the side of the Palestinians. And there are some other Arab countries, naturally, interested in this.

Relevant parts of my experience bearing on this are two. First, after returning from the Second World War with a very strong impression of my postwar experiences in India, I ran into a book which angered me very much, a book called *Cybernetics*, by Prof. Norbert Wiener, which became famous in later years. . . .

From 1945 through 1963, the world had been dominated by the idea of postwar reconstruction based on scientific and technological progress, but from 1968 on, after the counter-cultural revolution among youth, the result was that we no longer as nations accepted the idea of the right of developing nations to scientific and technological progress. So the period from the First Development Decade and the aborted Second Development Decade, as announced by U Thant in his famous Second Development Decade proposal at the U.N.—that was over.

At the same time, there was a destruction of all traditional family and related values within the United States, North America, and western Europe.

As an economist, I had known at the time that if the policies of that period were continued, the international Bretton Woods system in its existing form would cease to exist, would collapse—as it did, over the period 1967 through 1971. Because of my somewhat unique success in forecasting the nature of this collapse, I achieved a certain influence; and I faced then the question of the passage of the world from

less than two decades of postwar reconstruction, to what have become today three decades of post-reconstruction deconstruction.

If that policy of deconstruction continues, if the policies of the past 30 years continue, then I would say there is no chance for any part of the planet. There will be a general collapse into barbarism.

As a result of that, some friends of mine and I started some publications and set up an intelligence organization project. People became specialists in various parts of the world and specialists in various subjects; and, through publications which are the result of that effort, I have been involved in most parts of the world over the past 25 years.

One of my primary concerns was with the crossroads of civilization, the Middle East, which traditionally, for geographic and other related reasons, has been the crossroads between the Mediterranean and the Indian Ocean regions historically, for thousands of years, since at least the time of that ancient civilization we sometimes call Harappa.

For special reasons, I became concerned with the injustice suffered by the Arab people in consequence of British operations setting up Israel.

In April 1975, in the course of a visit to Iraq for the annual Baath Party session, I proposed to various Arabs who were there, that they consider a new approach to the Israeli-Arab conflict. The idea was not entirely original; there were brief precedents in Israel for this. There were certain Arabs who had confidence in it, particularly after they discovered, in the middle of that meeting, that the Lebanese civil war had broken out. This had been a subject of some debate. At the time, I insisted that it was about to break out; they said no, and when it did, we had some very serious discussions.

What I proposed—and I had ready acceptance from certain circles in Israel and among some Palestinians and other Arabs—was the following thesis. I stated that the efforts to find a political solution to the Middle East conflict would not succeed under any circumstances, because we had extreme bitterness which could not be settled at the political bargaining table. Before we could have a political solution, we had to have an economic self-interest by both parties in a

political solution.

Some Israelis, of the type you would associate today with Shimon Peres, agreed. By early 1976, there was a very significant effort to bring this to success; but because of a very radical shift in politics in Israel at that time, our efforts failed. We tried to revive this again with some sympathy from certain circles in the United States in the later 1978 Carter period. But that failed because forces inside Israel at the time wished it to fail.

There was a brief effort to revive that on the Israeli side, as well as ours, when Shimon Peres was prime minister of Israel. What I believe were some very useful plans were brought to agreement; but we were cut off because of the change in government.

The plan, as you know, has been revived recently on the initiative of Shimon Peres in negotiations with Yasser Arafat. It could succeed; it is very much in jeopardy.

Water and nuclear power

The typical axes of the proposal were two things: water and nuclear power. One of the key problems there, of course, is the shortage of water. One cannot meet the indices of water consumption for a modern population, for both the Palestinian and Israeli populations, under present conditions. There is a conflict over water because the Israelis have, frankly, been using their conquests to take water from everybody. It's one of the conflicts with Syria on the Golan Heights issue. It involves, in Lebanon, the Litani River, and things of that sort.

If you look at the aquifers in the region, *there is not enough water available for the total population—not for modern life*. Therefore a political division of the water as it exists, would be no solution.

When we were negotiating with the Peres government in Israel in the early 1980s, they came up with a plan which was

ADL's role in sabotage of Mideast peace exposed

The April 1994 issue of the Paris-based newsletter *Israel and Palestine* identified the link between the Anti-Defamation League of B'nai B'rith (ADL) and the fanatical opponents of a Mideast peace accord in Israel. The newsletter is published by Maxim Ghilan, who, for nearly two decades, has acted as a back-channel for Israelis to the Palestine Liberation Organization, and hence is in a position to be well informed on these matters.

Ghilan reports that a "secret civil war among Jews in Israel" has broken out, especially since the February massacre of Arabs in Hebron by Dr. Baruch Goldstein. This war, he writes, is overlapping "into the Jewish Diaspora and, most specifically, into the American-Jewish, French-Jewish, and British-Jewish communities, where elements connected to the Israeli right aid and abet the most militant activists with money, arms, training, lobbying, influence, political propaganda, and advice."

Ghilan continues: "The settlers were depicted as divided into 'moderates' and 'extremists.' The extreme right settler microcosm (never described as what they are—as fascists and in Kach's case with an ideology actually patterned according to Adolf Hitler's *Mein Kampf*) were said to be cut off from Israeli and Jewish public opinion. . . .

"In the United States, the American-Israeli Public Af-

fairs Committee (AIPAC), the Zionist-Jewish lobby, is mostly committed to the Israeli right rather than to Rabin's government in Jerusalem; and part of its members are openly sympathetic to the Orthodox extremists of the Jewish Defense League—the group from which most of the American-born settlers in the Occupied Territories originate. American and Israeli-based Kahanists are also well-connected to the FBI and to the secret Jewish-American intelligence network, the B'nai B'rith's Anti-Defamation League, which spies on Americans and Israelis alike, and prepares briefs for action not only by Israeli institutions—but also by Jewish extremists of the right."

Foxman defends Kahane Chai

The ADL confirmed its role in protecting the Jewish Defense League, the mother organization of the Kach and Kahane Chai groups, of which Hebron murderer Goldstein was a member and which the Israeli government has outlawed as terrorist. In response to efforts by a U.S. government interagency task force to close down the fundraising activities of these groups, ADL chairman Abe Foxman told the April 8 issue of the New York City-based *Jewish Week* (which backs the government efforts) that the government should not make use of tax or fundraising laws to constrain Kahane Chai.

"We have been uncomfortable when the IRS [Internal Revenue Service] was used in this way against groups we agreed with," Foxman said. "So we shouldn't be in a position of advocating that the law be applied especially in this way now. . . . They should be treated as any other group."—*Dean Andromidas*

called the Canal-Tunnel Plan, to bring seawater from the Mediterranean, through Beersheba, and to cut a tunnel in the mountains, into the Dead Sea, which would be partly, in their view, a power-generating project, which would stabilize the aquifers in the vicinity of the Dead Sea.

I suggested that that was not adequate; it was good, but not adequate. We focused on the Gaza area as a key area to look at, in terms of shaping a possible policy. We found the Israelis had done all the paperwork and planning necessary for the development of infrastructure in that region. My friends made an effort to involve some Japanese interests in actually constructing the project and financing it according to these plans.

My particular version of it came in two parts. Of course, the Jordanians and the Palestinians were very interested in that version of the plan, which was to make another cut from the Gulf of Aqaba toward the Dead Sea, which would be largely a Jordanian project, to link the two canals by a cross-canal.

My point was to increase the size of the canals adequately to permit a large-scale desalination project along the banks of the canal. Our concern also was that, since this required nuclear energy, to avoid the problems of nuclear proliferation.

As you may know, back some years ago, at the German nuclear research center at Jülich, a new type of high-temperature reactor was developed, which is sometimes called the Pebble Reactor. It is a fully designed system. It has never been installed due to economic and political reasons. It is the type of reactor which I would recommend to the attention of certain Russian circles as well. It was developed under the direction of a group headed by Professor Schulten of the Jülich Center. At that time, initially Brown Boveri was to be the contractor to build these type of reactors.

My view was to build a series of 300 megawatt electricity plants and put them in blocks of four, to build what was called, in the 1950s, nuplexes.

Although the cost of producing fresh water from salt water by nuclear energy is high, the availability of usable fresh water is such a bottleneck in the region, and fresh water is at such a cost in the region, that the high cost of fresh water or brackish water produced by nuclear desalination or nuclear-assisted desalination, would be perfectly acceptable economically. You could in fact build up a supply of water by such methods which would be the equivalent of a new, added river in the region, which would mean the possibility of creating new cities and recapturing the desert for industry and agriculture. As I'm sure you know, there were plans in Egypt along similar lines which were aborted on orders of international financial institutions.

I merely cite this as an illustration of what can be done. We have the technology available and obviously, in the unused potential of Russia's scientific-military-aerospace re-

search capabilities, there is a capability from this nation, if there were some credit available, to participate in assisting in such projects, for this case or other cases where development would become the key to peace.

The way out of the current crisis

In conclusion, let me state what the issue is, I believe, here.

The issue with the present countercultural trends in economy is obvious; but I can assure you that within a relatively short period of time, the existing global financial and monetary system will collapse. It is finished; it is unstable. What has been seen in the past six weeks on international financial markets is only an advance rumble of much larger financial disruptions to come.

So, soon those problems will be the music of the past. The question will be: how to keep economies going *despite* the collapse. And policies to accomplish that, I think, are the only important policies.

In this case, I propose we drop the sociological or often-accepted sociological view of negotiations and grand politics. I propose that not only the material but the psychological effect of development upon the state of the individual mind is the key to peaceful development of this planet in the coming period. We have seen in recent decades that those sociological ideas which are very popular in, for example, the U.S. establishment, have been worse than a failure. For example, I know intimately most of the countries of Central and South America; and I can assure you that in those countries, those sociological methods have been proven to be worse than nothing.

To me, the key is the fact that man is not an animal. If humanity were an animal, it would be in the same category as the higher primate species, which means that the human population would never have exceeded, in the past 2-3 million years, more than 10 million individuals at any one time on this planet. Man has already shown, many centuries ago, that he can increase willfully the potential population density, that is, the power of man over nature, which no animal can do. We reached the level of several hundred millions during a period of the Roman Empire and afterward. The productive power of man has increased more greatly in the past 600 years than in the millions of years of human existence prior to that time. The secret of it is that we have developed science as a tool of human development. No longer does 95% or more of the population labor in the brutality of rural life—or if they do, they need not, if we use modern technologies.

We have elevated man by making possible a society which required an education in ideas. The cruelest thing I have seen on this planet, is to see a human being, and looking into their eyes, expecting to find humanity reflected there, to find a person instead who has been bestialized. The essential thing is what we used to hear and accept up until the mid-

1960s. I'm sure all of us who were adults then, or who were growing up in that period, would think about justice for the developing nations, and providing them access to technology to solve their problems.

The tendency now, is to look at those faces and say, "The problem is there are too many people."

I would suggest that if we do not change our policy to foster in the individual a sense of his identity as a human being, through access to scientific and other creativity, that we shall bring barbarism upon ourselves.

Questions and answers

Q: There are a lot of questions I could raise to this rather unusual presentation, but let me limit myself to one, concerning our guest. Who are you? What's your education? Are you an economist, a sociologist, or what?

LaRouche: I think I qualify as an economist.

Q: If you consider yourself an economist, and you forecast the collapse of the financial system, please tell me: What's going to replace it?

LaRouche: I can say what *should* replace it. If you don't replace it in its present form, I can assure you that you will have global chaos, in which a very small part of the human population will survive.

A very fundamental error has been made by a presently globally dominant force which has pronounced, I believe, its unfitness to survive and rule.

Q: Excuse me, what force do you mean?

LaRouche: I mean essentially the group of international bankers and financiers who represent the present global policies.

Q: So do they want to kill themselves? Are they deliberately crashing the financial system, knowing they're going to kill themselves doing it? What strange logic!

LaRouche: It is very strange that people should have such logic, but they do. Ideology can be a very dangerous thing.

I think there was no empire that ever collapsed that did not collapse because of ideology. There was no empire that collapsed which could not have foreseen the collapse and averted it, if it had corrected its ideas.

The great political force behind the collapse, as you see it inside the United States (you see it in a lot of little people who graduated from college in 1968 or later), was motivated by the most crude, venal, unthinking greed.

Take the case of Michael Milken.

Q: No, I understood what was being said, but I did not hear any answer to my question, which is you've said that the

financial system is crashing. What's going to take its place?

LaRouche: Remember that the illusion is that, in terms of formal economic theory, there was a British system and that there was a communist system. In point of fact, the first system of formal economy was developed by Leibniz in the late seventeenth century. The Leibniz system of economy was adopted by the United States under Article I of the U.S. federal Constitution and was the policy under which the United States operated its recovery under the leadership of President George Washington and Treasury Secretary Alexander Hamilton.

In the period into the twentieth century, every time the United States followed what was called the American System, we prospered; every time we accepted the British free trade system, we had a disaster.

The central illusion comes from the idea that there is an initial fund of money someplace—whether gold or paper money—in private hands, which you must manage through central banking and through the so-called laws of the market, to create an economy.

The United States in 1789 was totally bankrupt. It was bankrupt as a result of the 1783 Treaty of Paris, which included terms of free trade which had been dictated by the Earl of Shelburne, who was then temporarily prime minister of Britain. The simultaneous bankruptcy of the United States in 1789 and of France in 1789 was a result of the free trade policies adopted through signature to the Treaty of Paris of 1783.

At that point, the United States instituted a new system of banking and credit which is outlined in Article I of the Constitution, and in three famous papers by Treasury Secretary Alexander Hamilton. One in 1790 was on the subject of public credit; the second the same year was on the subject of a national bank, which was extremely important; and the third was on the subject of manufactures.

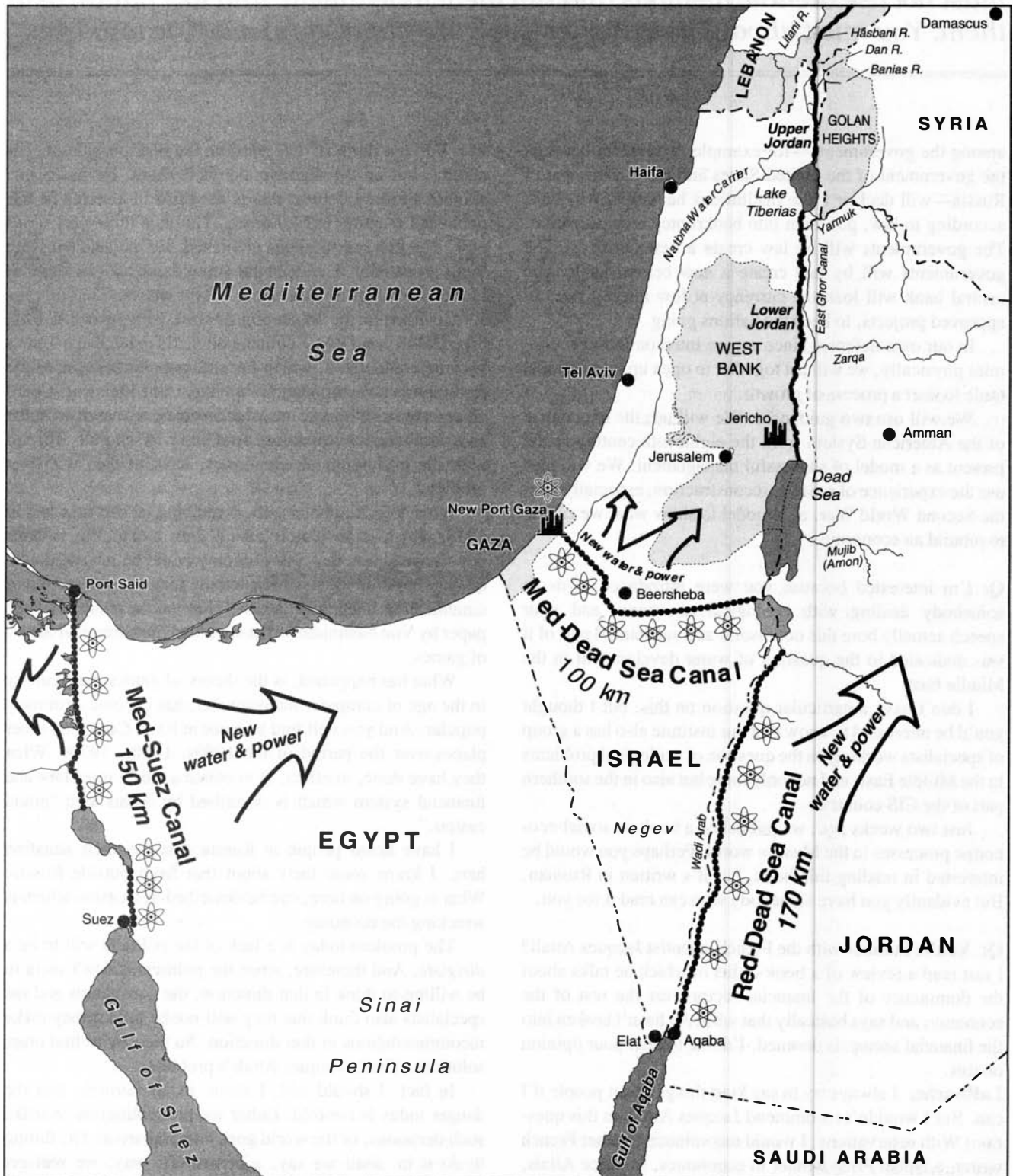
These three papers define the policy of the American System as understood by the United States until the beginning of the twentieth century. It was the same policy as advocated by Friedrich List, which brought Germany from the 1730s to become a major industrial power over the course of the century. It was the same policy here, which was recognized by Dmitri Mendeleev and Count Sergei Witte, which was the basis for the development of the Russian industrial economy in the late nineteenth century and the early twentieth century into the time of World War I.

For example, suppose the money system collapses, as it probably will soon. In the United States, we have a government. You in Russia have a government. In Germany, they have a government. In France, they have a government; and so forth. Are we going to die because the money system collapses?

We shall not. We shall do what governments can do. The government will act to declare the bankrupt system bankrupt. The banks and other financial institutions, by agreement

FIGURE 1

Selected proposed infrastructure projects for the 'New Mideast'



We have passed the point, where we should have been using nuclear energy extensively. But you must spend the money to have a safe energy system. You must not use archaic methods and run them indefinitely, and loot nature with them. You must always go to higher levels of technology to redefine resources.

among the governments—for example, agreement between the government of the United States and the government of Russia—will declare these institutions bankrupt. We shall, according to law, put them into bankruptcy reorganization. The governments will by law create a new currency. The governments will by law create a new central bank. The central bank will loan the currency at low interest rates to approved projects, to keep the nations going.

In our own defense, since we are interconnected economies physically, we will act together to open up international trade to start a process of growth.

We will use two guidances: We will use the experience of the American System from the eighteenth century to the present as a model of successful management. We will also use the experience of postwar reconstruction, especially after the Second World War, as a model to show what we can do to rebuild an economy.

Q: I'm interested because you were introduced to us as somebody dealing with ecological questions, and your speech actually bore this out insofar as a substantial part of it was dedicated to the question of water development in the Middle East.

I don't have a particular question on this, but I thought you'd be interested to know that our institute also has a group of specialists working on the question of ecological problems in the Middle East, and not only there but also in the southern part of the CIS countries.

Just two weeks ago, we published a book on social-economic processes in the Muslim world. Perhaps you would be interested in reading this book, but it's written in Russian. But evidently you have somebody who can read it for you.

Q: You're familiar with the French scientist Jacques Attali? I just read a review of a book of his in which he talks about the dominance of the financial sector over the rest of the economy, and says basically that whoever hasn't broken into the financial sector, is doomed. I'd like to hear your opinion on this.

LaRouche: I always try to say kind things about people if I can. But I wouldn't recommend Jacques Attali on this question. With reservations, I would recommend another French writer, a Nobel Prize winner in economics, Maurice Allais,

who I do not think is very good on the positive side of economics, but on the negative side is brilliant. He has begun another series, I believe this is the third in a series he has published recently in *Le Figaro*. This is a three-part series now. The first one has been published. He has said the same thing repeatedly. I understand some associates of mine in France have spoken with him in recent weeks.

Go back to the beginning of the 1950s, when a 1938 proposal by John Von Neumann on mathematical economics became popularized, which became popular because of the development of computer technology. The idea was: Could you create an automatic model of an economy based on linear and simultaneous equations? And all of us who are afflicted with the profession of economics, have to deal with that problem.

What Von Neumann said, something he had first said in 1938, which is absolutely absurd but nonetheless became popularized, was that any economy could be analyzed adequately by reducing its characteristic features to a system of simultaneous linear inequalities. This was the result of a 1928 paper by Von Neumann on the so-called mathematical theory of games.

What has happened, is the theory of games, particularly in the age of computer management, has become extremely popular. And you will find it in use at Rand Corp. and other places over the period of the 1950s, 1960s, 1970s. What they have done, in effect, is to create a world monetary and financial system which is described by Allais as a "grand casino."

I have heard people in Russia describe their situation here. I know some facts about that from outside Russia. What is going on here, can be described as a casino which is wrecking the economy.

The problem today is a lack of the political will to be a *dirigiste*. And therefore, since the politicians don't seem to be willing to think in that direction, the consultants and the specialists also think that they will not be paid if they make recommendations in that direction. So they try to find other solutions. That's Jacques Attali's problem.

In fact, I should add, I think, in all fairness, that the danger today is twofold. Either we find politicians to make such decisions, or the world goes into barbarism. Or, failing to do it in, shall we say, a democratic way, we will get

dictatorial regimes which will fill the vacuum.

Q: I would like to return to the Near East. I can certainly endorse the analysis that trying to have a purely political settlement in the Middle East might not work. I believe that the political settlement has to be accompanied by economic agreements. And above all, this is indeed the question of water resources in the Middle East. This is a problem of great concern to both the Israeli and the Arab sides.

But the proposal of a canal between the Gulf of Aqaba and the Dead Sea, is a project which might change the climate and the environment in the Middle East. Don't you think that might be too high a price for providing water to the people of the region?

LaRouche: No, I don't believe so. I think that the fear of changing the climate is not per se a problem. The danger would be if you *deteriorated* the quality of the climate.

Q: What the results would be, are unpredictable.

LaRouche: Actually, that is a problem for some of the mathematicians. We had a project going on this some years ago in Japan, with other people. A lot of the climate theory today is essentially unsound.

I think one person whose work ought to be revived and extended in a much more conscious way on the Russian side, is V.I. Vernadsky. Vernadsky's conception of the noosphere, for me, is the standpoint from which to establish a generalized science—shall we call it ecology. Because I'm sure I read Vernadsky correctly when I say that he understood man to be an integral part of the noosphere.

Of course, going back to the earlier part of the interglacial period, we know something historically about North Africa and the Middle East, as we know about Central Asia, for example, and therefore studies done here on the earlier ecology of Central Asia, say 4000 B.C., would be extremely relevant studies.

There are man-made catastrophes involved in the history of ecology; but most of the problems which come are natural ones, for example, the glacial cycles. As the glacier advances, as it already is going to begin to do, we are going to get a return toward a moister climate in Central Asia and then later, a moister climate in the Middle East.

Our problem is, instead of trying to let these processes occur, that we have the responsibility of *managing natural processes*, to make sure that only the healthy development occurs.

Q: Are you familiar with the way in which the construction of the Kara Kum canal and other canals in Uzbekistan, for irrigation and so forth, drained and dried up the Aral Sea?

LaRouche: That's a problem of management. That's exactly it. You can predict these things, and you must calculate the cost of dealing with these when you do the project.

There's a twofold problem here which is a crucial problem. I used to read regularly the English translations of reports of Soviet economic publications. And there were certain problems which I could recognize easily by reading these publications.

Vernadsky is extremely important, as this fellow Pobisk Kuznetsov is trying to do something important. Others have tried, in the history of the Soviet Union and Russia, to do something important in this direction.

The distinction between a living process and a mechanical process is fundamental in all questions of ecology. Vernadsky was very clear, and correctly so, in his direction of approach to this.

The problem is this. From a thermodynamic standpoint, a mechanical system, we understand that a successful process is one in which the free-energy ratio increases. But in the Vernadsky noosphere—correctly—and in living processes, including human processes, and in the characteristics of a successful society, not only must the free energy increase, but the energy density per capita and per square kilometer must increase.

So therefore, you're dealing with a system which does not conform to the normal mathematics of inorganic processes.

This came up in the Soviet system, in the failure to adequately invest in infrastructure. So today, we have a big discussion about the *looting of the ecology* in the Soviet economy, of which one of the worst examples is eastern Germany.

Therefore, if we calculate the true cost of production or the true energy of the system of productive economy, we must never look upon nature in any form as an inexhaustible reservoir. In the sixteenth century, using wood for fuel was already creating a crisis in many parts of Europe.

We have passed the point in this century, where we should have been using nuclear energy extensively. But you must spend the money to have a safe energy system. You must not use archaic methods and run them indefinitely, and loot nature with them. You must always go to higher levels of technology to redefine resources. As the famous scientist Kapitsa emphasized, you go constantly to higher levels of energy-flux density.

An ancient example is the ancient Chaldean or Akkadian kingdoms. Anybody who's studied ancient Mesopotamia, would never make the mistake that was made in that [Aral Sea] region of the Soviet Union. The people in that region had a bow-tenure system of agriculture which required maintenance. When the usurers came in and increased the taxation on the peasants, then substituted slaves for peasants, the system broke down.

You must anticipate the cost of maintaining a system without these disasters, as part of the cost of having it. Without increase in technology, you cannot do that.