
Regional Development Initiatives

18. Mideast: making the desert bloom

This proposal for Middle East development is from LaRouche's 1975 "IDB: How the International Development Bank Will Work."

The development of Mideast agriculture

Within two years the low agricultural production of the once fertile Mideast can be raised six times the current annual output. The programmatic basis for this rapid development of Mideast agriculture is the exchange of oil for tractors and fertilizers from the advanced industrial countries, replacing Mideast peasant technology with a highly capitalized level now only found in the advanced countries. The former Fertile Crescent and the North African grain basket, now turned into desert, can once again become major food exporters. . . .

Immediate program

On the basis of the current grain area only (both rainfed and irrigated), inputs of fertilizers and tractors can increase grain production six times over current output. This amount of grain production can provide for both human consumption and the feeding of livestock, providing for a far more efficient livestock industry than nomadic herding on the arid pastures. This will immediately provide the 170 million people in the Mideast with a proper diet of 3,000 calories and one pound of meat daily for the first time in their lives. Even with this vast increase in consumption, the Mideast will still have over 100 metric tons of grain for export. . . .

Realization of the projected yields . . . depends on immediate modernization of existing irrigation works. This means the reconstruction of irrigation canals and ditches with modern, permanent, materials, allowing minimal maintenance and easy administration of water in the right amounts at the right time. . . . This means using about \$2 billion worth of excavating equipment to lay clay pipe drainage lines, criss-crossing the land in lines 100 yards apart. This system will also supply additional recycled water for irrigation. . . .

Israel, the key to development and peace

The exchange of Israeli technical manpower and fertilizer for Arab food and fuel is the only alternative to Rockefeller's thermonuclear war provocations.

Immediately Israel can provide 10,000 specialists trained in agriculture and related scientific fields to aid surrounding Arab nations, particularly Syria and Iraq, with efficient methods of "trickle" irrigation, scientific drainage, tilling, etc. A second immediate area of cooperation is fertilizer production. As one of the world's major suppliers of potash fertilizer, within months Israel could be exporting 500,000 tons per year of this fertilizer to its Arab neighbors, 10% of total needs.

With the investment of \$200 million of Western European capital, this industry can be further expanded. Utilizing existing highly skilled labor, an additional two million tons of fertilizer can be produced, including ammonia fertilizer from Arab natural gas. The increase in Arab grain production—at the very first stage of a cooperative development program—can slash food prices in Israel within a year, allowing for a fivefold increase in per capita meat consumption and a corresponding improvement in vegetable and fruit consumption.

'Exportable' educators

Israel's primary contribution to Mideast development is technical expertise. A multi-lateral agreement between Israel and Arab nations, Europe and the Soviet bloc for establishment of the IDB and the funding of giant agricultural development projects in the Fertile Crescent will necessitate tens of thousands of agricultural and other technical experts in the use of fertilizer, irrigation and tractors, to reorganize infrastructural development projects, and so on. As the leading country in arid-land agricultural technology, Israel is uniquely situated to supply such technical aid.

In addition to trained technicians, the Arab states suffer from a general shortage of college-educated specialists capable of educating teachers for massive expansion of education. Of the 300,000 college-educated adults in Israel, more than 80,000 are immediately "exportable"—the unemployed and those employed in banks and hotels, many of whom already speak Arabic.

In exchange for technical assistance and fertilizer, Arab countries will ship to Israel the full ten million tons of oil a year needed for full capacity industrial production and consumer use. Further, on the basis of the political and economic settlement implied by the IDB proposal, allowing for increased exports of fuel for West European production, West European industry will be able to export to Israel the capital goods necessary to alleviate Israel's greatest shortage—housing. Housing supply must double within three years—from 15 square meters per capita to 30 square meters. Peak housing production must triple. 140,000 large (120 square meters) units of housing must be mass produced each year. The \$0.5 billion of modular housing and construction equipment required for this level of production can be imported from Europe. . . .

19. Stop Club of Rome genocide in Africa

On April 28-29, 1980, the Organization of African Unity (OAU), meeting for an economic summit in Lagos, Nigeria, issued a document titled "Lagos Plan of Action." It proposed the use of "soft technology" and "alternative energy sources" like biomass, while praising the "positive role" of the International Monetary Fund and World Bank in supposedly encouraging Third World development.

Lyndon LaRouche and EIR prepared a book-length critical commentary on the Lagos Plan, titled Stop Club of Rome Genocide in Africa! The manuscript was circulated widely, but was never published in English (a Spanish translation did appear). We publish here an excerpt from the Introduction, by LaRouche. More extensive selections from the document appeared in a special issue of EIR, Jan. 1, 1993, devoted to "The Rebirth of Africa."

Development or neo-malthusian genocide

The rise of the so-called neo-malthusian dogma over the course of the past decade and a half is but the most clearly evil among our four principal varieties of powerful institutional obstacles to the economic development of the continent of Africa. Unless the power of those institutionalized policies is crushed, development is impossible.

Therefore, we propose that no development effort can be called either "realistic" or "practical" unless it includes a resolution for mobilizing forces adequate to eliminate those four institutionalized obstacles.

These four institutionalized obstacles to development are:

1. The influence of neo-malthusian doctrines allied to those of the Club of Rome.
2. Post-1965-68 policy trends of leading international monetary institutions.
3. Institutionalized monetary and trade policies, sometimes denounced as "neocolonialist," antedating 1965-67.
4. The hegemony of doctrines of political economy derived from the colonialist doctrines of the eighteenth and nineteenth century officials of the British East India Company (for example, Adam Smith, John Stuart Mill).

To the extent the first three of these institutionalized obstacles are not defeated, net economic development of the formerly colonial nations is impossible. To the extent the

fourth of these institutionalized obstacles influences the methods of attempted development employed, those attempts must fail.

For such reasons, a development resolution becomes practical, realistic, on condition that it begins with a twofold elaboration of policy counter to these four obstacles. First, that policy must treat the body of ideas from which the four cited obstacles are spawned. Second, the policy must define the powerful networks of influence through whose influence such ideas are embodied in institutionalized obstacles of the first three types.

This twofold approach must treat the matters not only in opposition to evil conceptions and influences; it must articulate counter-policies and propose counter-forces.

There are two aspects of the most recent centuries of European development which are of special relevance to such a practical and realistic approach. Twice during recent centuries, Europe suffered conditions broadly comparable to those confronting the formerly colonial regions today. In the first instance, we consider the emergence of the Golden Renaissance of the Fifteenth Century out of the New Dark Age of the Fourteenth Century. In the second instance, we focus on the central position of Jean-Baptiste Colbert and his famous protégé Gottfried Wilhelm Leibniz in leading the continent of Europe out of the ruinous conditions of the 1618-48 Thirty Years War.

By focusing attention on those two periods, we define historically the two opposing policies to be contrasted today in the battle for economic development of Africa (in particular).

By adopting such an approach, we accomplish something more than merely defining a realistic and practical approach to institutionalized obstacles. Out of the lessons of the Seventeenth and Eighteenth Centuries' *mercantilist* and *Kameralist* approaches to the successful economic development of Europe, we adduce a unified conception of *development*, a conception readily restated in forms immediately appropriate to the case of Africa.

On the positive side of the problem of development, we must move beyond mere lists of particular requirements for development, to a *unified conception of development*.

By examining the "Lagos Plan of Action" from the vantage point of the conception we develop in the following pages, it will be made clear why we see dangers in the method of elaboration of developmental goals employed for the "Lagos Plan of Action."

It should also be clear from the same pages that we view it as indispensable to successful development of Africa to transform a growing population of students into a dedicated elite trained in the principles of development as well as in the professions of scientist, engineer, and technician in such specialties as physics, chemistry, biology, agronomy, medicine, civil engineering, and so forth.

20. Operation Juárez: Reorganize the debt

The following are excerpts from a book-length report by LaRouche, entitled Operation Juárez, dated Aug. 2, 1982, which proposed a comprehensive debt-reorganization. The report was prepared following a June 1982 meeting between LaRouche and Mexican President José López Portillo, in which the two discussed the debt crisis in Ibero-America. On Sept. 3, López Portillo nationalized Mexico's banking system. During September and October, he offered to cooperate with the United States, along the lines of Operation Juárez. Instead, the United States sent Henry Kissinger to Mexico to enforce the International Monetary Fund's austerity conditionalities.

... We propose to establish a mutually agreed cut-off date for further accruals of existing contracts of indebtedness of Ibero-American republics. After that date, no further interest-payments will accrue on those contracts. Effective that same date, each of the debtor-nations will deliver to the creditor-banks a portfolio of bonds equivalent in total value to the accrued value of the previous debt-contracts up to the cut-off date. The old debt is thus "sold" for the new debt.

The portfolio of bonds delivered by each debtor to each creditor will have the following most notable features.

1. The interest-rates on the bonds will be nominal, approximately 2% per annum.
2. The final date of payment of principal on the total indebtedness will be significantly later than the schedule indicated by the canceled contracts.
3. In some cases, there will be a period of grace, before payments mature—a deferred-payment provision.
4. Maturities of debt-payment will be determined by maturity-dates of each of a series of bonds issued.

Unfortunately, more or less inevitably, some among the bankers of lesser intelligence will howl with protest: "We are being cheated out of the interest-income we would have received under the old contracts." Such imbecilic gentlemen need to have matters explained to them in very basic terms: "Try to collect the old contracts, and you force us to default, in which case your banks cease to exist." The advantages of the new arrangement may then begin to be apparent even to the most stupid among New York bankers. . . .

The new bonds will have low yield, but they will be discountable for certain categories of issuance of new medium-term to long-term loans. The new bonds will be a

negotiable asset in that way, and should be a very high-grade variety of asset for these bankers, provided they behave sensibly.

Through a combination of debt-rescheduling and correlated economic measures, the bankers involved will have a very important market for new lending on very sound terms throughout much of Ibero-America. This lending may not be significantly profitable in terms of income on the loans themselves; however, this lending will be very rewarding to the banks' clients among U.S.A. capital-goods exporters, and, consequently, to the banks themselves. . . .

Ibero-American 'common market'

We propose that, within the Organization of American States, such republics as may choose to do so, should form an Ibero-American "common market." This "common market" would be based chiefly upon these institutional features:

1. Bringing their respective, internal institutions of credit, currency, and banking into order, as specified here, earlier.
2. Establishing a common banking institution to facilitate exchange of credit, currency and trade among them, and as an institution of common defense of the financial and economic interests of the member-nations and the continent as a whole.
3. To make more effective use of the limited resources at their common disposal, to the equitable advantage of each and all.

Taken as a whole, Ibero-America represents a spectrum of existing and potentially existing capabilities of natural resources, agriculture, capital-goods industries, and other economic resources. What is not immediately at the disposal of the republics taken individually, is in large part at the disposal of those republics taken as a whole. Given the limited means for creating technologically advanced industries of each and all, the attempt of the republics to meet their needs in parallel represents a costly duplication of investment, by comparison with the better use of limited resources if a rational division of labor were to be developed among those republics.

What is required is:

- 1) Agreement to prefer trade within the community, rather than trade without it.
- 2) Medium-term and long-term trading agreements, through which it will specialize for export to members of the community, thus assuring a medium-to-long-term market for products of this sort, are intended to foster the most efficient use of the limited capital and credit available to each and all.
- 3) Fair-pricing agreements, combined with cohering tariff agreements, which have the effect of establishing a customs union among the members of the agreement.

If a sufficient portion of the Ibero-American nations enter into such an agreement, *the result is the assembly of one of the most powerful economies in the world from an array of individually weak powers. . . .*

21. Develop the Indian, Pacific oceans' basin

The following are excerpts from LaRouche's "A Fifty-Year Development Policy for the Indian-Pacific Oceans' Basin," August 1983. The preparation of this 86-page EIR Special Report was initiated during LaRouche's July 9-Aug. 3, 1983 visits to India, Japan, and Southeast Asia, the occasion of an intense schedule of meetings with governmental and other public figures of that region on a variety of topics, of which the issue of economic cooperation and its importance for enhancing political stability, were leading topics.

...The enclosed two-part report is a preliminary study intended to provide the government of the United States, as well as governments and influential private circles of the proposed partner nations, a new agenda for formulating policies of cooperation within the combined Indian and Pacific oceans' basin. The short-term purpose of composing and issuing this proposal in the present, preliminary form, is to provide President Ronald Reagan a fresh set of policy options for his consideration, in connection with his planned visits to Japan and Southeast Asia during November 1983. The medium-term purpose is to set into motion a process of discussions intended to produce a more efficient consensus among the prospective partners of the proposed, early cooperation. . . .

The distinctive feature of the present proposal as a whole is emphasis on the elementary point that the projected economic cooperation within the basin is economically unworkable, unless the Pacific and Indian oceans' basin is treated as an indivisible unit of such cooperation. India's urban labor force is approaching 60 million persons, and includes one of the largest pools of scientific and related professional manpower in the world today, a population adapted for rapid rates of assimilation of advanced technology, and, predominantly, with a cultural disposition for assimilation of both large-scale infrastructure-building projects and advanced technologies. India, Indonesia, and Japan are the pivotal nations for the economic development of approximately 1.5 billion population on the southern and eastern rim of Asia, and thus key to development of the mass of economic power needed to provide China a reservoir of assistance for its own needs for trading-partners and imports of technology.

Moreover, assuming that the world does not continue its presently accelerating descent into a new dark age, as

the proponents of "post-industrial society" and neo-Malthusianism are, principally, efficiently causing to develop, the world will soon effect turnabouts, away from present directions in policy, unleashing potentially the greatest technology-driven economic boom in history, worldwide. Under such happy, and urgently required conditions, the concentration of ocean-borne freight movements in the world will make the combined Indian and Pacific oceans' basin the center of the world's economy. . . . The other principal ocean basins of commerce and economy, the Mediterranean, the North Atlantic, and South Atlantic, must necessarily feed into the center of world economy chiefly through the Suez Canal and augmentation of the present Panama Canal by the proposed new sea-level canal, plus a lesser but significant role for the Cape of Good Hope.

The single most crucial point of strategic weakness visible from this vantage-point is the constricted passage past Singapore through the Straits of Malacca. The obvious remedy for this is the development of a large, high-speed, sea-level canal through the Isthmus of Kra of Thailand—a well-researched project clearly to the long-term objective advantage of that and adjoining nations, but not without subjective and other causes for hesitation within Thailand itself. Those sensitive problems associated with the Kra canal, and with the aborted Mekong River Development Project as well, typify the point of deliberations at which objective determinations of economic science must pass over into the more emphatically political domain of internal and combined deliberations among the nations most immediately affected by such projects.

It is the general view adopted for this report in that connection, that the cultural matrix of that region of Asia be efficiently respected, and that, rather than proposing each desirable project one at a time, a package of such desirable projects be adopted, to the effect that each nation obtain its share of the benefits provided by the combination of projects taken as a whole—the same principle of practice exemplified by the Global Infrastructural Fund (GIF) proposal submitted by the Mitsubishi Research Institute. . . .

The economic development of the Indian-Pacific basin encompasses a span in the order of two generations, for which the general features of the initial quarter-century are rather clear today, and the second quarter-century foreseeable in those broad terms of reference we need to make decisions today. On condition that a crash program effort is dominated by shifts in technology, what must tend to emerge is a new view of man's management of his environment. This will be a view informed significantly by work in designing construction of Earth-like environments on such locations as the Moon and Mars. We will say to ourselves, "If we have demonstrated that we can grow forests on Mars, as well as human colonies, why do we not employ the same repertoire of technology to adopt a similar, gardener's approach to management of our environment on Earth?"

22. Unified approach to developing Eurasia

Excerpts from LaRouche's "The New Role for Russia in U.S. Policy Today," EIR, Aug. 25, 1995.

The present writer's televised Berlin address of Oct. 12, 1988, signalled this proposed application to the new Russia of the tradition of American System political-economy. In that address . . . that policy of reconstruction was later elaborated in significant detail, beginning November-December 1989, in policy statements and prospectuses issued under the rubric of "the European Productive Triangle."

This Productive-Triangle policy anticipated all the principal features, and more, of the later "Delors Plan." It proposed that the emergent world-center of economic progress, since Charlemagne, the approximate spherical triangle whose apices are Paris, Vienna, and Berlin, be mobilized as the pivotal technology-driver for all Eurasia, and that this triangle be the hub of a network of railway-spined developmental corridors, extending eastward and southward, across Eurasia, through such routes as Berlin-Warsaw-Moscow, Kiev, and so on, to the Pacific and to the Indian Ocean. Although the principles embodied in the Productive-Triangle proposal are either unknown or unfashionable in the classrooms and professional journals of the past quarter-century's west European and North American academia, there is nothing in that proposal which is not implicit in established American System traditional doctrine and practice. . . .

Infrastructure policy

Let us summarize the implications of the "Productive Triangle" program for the vast reaches of eastern Eurasia, and thereafter conclude this introduction by focussing upon the mathematical problems posed by the notion of science-driver principles in modern economy.

The most conspicuous obstacle to the successful economic development of Russia's vast potentials, greets one as one flies east of Warsaw: great, undeveloped spaces, whose want of elementary infrastructural development, is the crucial obstacle to successful, modern technological investment in the productive powers of labor. This is the characteristic feature of that vast land-bridge area which development must traverse to reach the densely-populated regions of the Pacific and the Indian Ocean littoral [see accompanying map, pp. 42-43]. This was the key problem addressed by the LaRouche "Productive Triangle" proposal for post-Soviet reconstruc-

tion of Eurasia.

The principle can be traced in western Europe's cumulatively successful development since Charlemagne. First, it was inland waterways, roads, and market-fairs; later, it was more inland waterways, and then railways. . . .

The upshot of that successful economic history of western Europe and North America, is that one does not attempt to develop broad expanses economically. Rather, one traverses those expanses by development corridors, whose width is normally approximately a hundred kilometers, approximately fifty kilometers either side of a spinal artery of transport, such as a navigable inland waterway, a trunk railway, or, superseding rails, magnetic levitation transport.

The principle involved is conveniently illustrated by reference to data for five nations, from the 1967-70 interval. These are, the three model industrialized nations of that period: Japan, West Germany, and the U.S.A., and the two archetypical developing nations, China and India. Since the levels of technology among the first three, were comparable at that time, the similarities show more brightly the significance of the crucial differences in population-density: Japan's habitable territory: extremely high density, relatively speaking; West Germany: high density; the U.S.A.: low density.

High density of population is a marked economic advantage: Transport between points of production and consumption, traverses shorter average distances, and the employment of basic economic infrastructure is greatly more efficient. In contrast, the lack of such infrastructural maintenance and development in high-density China and India of that period, demonstrates, with the force of a hammer, the roots of poverty in the lack of essential infrastructural development. . . .

'The developmental corridor'

In summary, the developmental strategy we have termed "the developmental corridor," is a way of creating the advantages of a relatively Japan-like density of population and productive activities, within a relatively small portion of a large territory. All other geographical considerations being equal, the development corridor would reach, as we have noted, typically, about fifty kilometers either side of a central transport-spine of waterways, rails, pipelines, and trunk powerlines. The development of the larger territory is accomplished somewhat as railway development opened up the western United States: by criss-crossing vast expanses with developmental corridors.

Without placing the emphasis upon infrastructural development so defined, a successful reconstruction of Russia would not be possible. Without the use of such modern forms of development corridors reaching from Berlin to the Pacific and the Indian Ocean, the required rate and degree of economic development needed to satisfy the requirements of the populations of China and the Indian subcontinent would not be possible.

Proposed Eurasian rail system: Locomotive for development and peace



