Mideast development efforts fall short of LaRouche's Oasis Plan

by Muriel Mirak Weissbach

The Mideast peace process opened up the possibility for a vision of global development to become reality. The expectations were high that such great projects, as those sketched out in LaRouche's Oasis Plan, would be launched, as soon as humanly possible. LaRouche himself urged the regional partners to break ground fast, in Gaza, for example, on the port construction, to show the population that life was changing for the better.

The story of how the vision of great projects was sabotaged by the International Monetary Fund (IMF) and World Bank intervention has been told, in gruesome detail (*EIR*, April 7, 1995): how funds that should have flowed to finance the Gaza port, construction of paved roads, schools, housing, and so forth, instead were blocked through diabolical cunning and outright cheating. Or how funds which could have been made available through the World Bank for vast canal projects, as contemplated in the Jordanian-Israeli accords, for example, were withheld on the grounds that such "castles in the desert" were not priorities.

Yet, it would be a lie to assert that no infrastructure projects have been planned and started. On the contrary, ground has been broken in the Jordan River Valley for a series of sizable projects. Other projects, for energy and raw materials supply, are moving from the drawing boards to the construction sites. A glance at a few of these projects will clarify, by comparison with the LaRouche approach, what the problem is.

Oil and natural gas

Take the example of energy. At the first economic conference of the Middle East and North Africa group, held in Morocco in 1994, though many regional infrastructure projects were presented, no mention was made of nuclear energy utilization. By the time the Amman conference took place a year later, the mere suggestion that nuclear plants could provide electricity, as well as power for running desalination plants, was greeted with either rage, ridicule, or embarrassed silence. The decision had been made and communicated through U.S. State Department sources, as well as political institutions in Germany, to the peace partners, that the region would *not* be allowed to utilize this energy source.

In addition to oil, natural gas was another option. At the Amman summit, great enthusiasm was generated by the news that Qatar had signed a $5.4 billion deal to provide Israel with natural gas. A Memorandum of Intent, signed by Israeli Minister of Energy and Infrastructure Dr. Gonen Segev and Enron Qatar LNG Marketing Ltd., stipulated that natural gas reserves from Qatar's North Dome Field would be sold to Israel, through the Enron subsidiary. The natural gas would be liquefied at a new plant in Ras Laffan, and regasified at a site to be selected on the Mediterranean, then shipped to Israel. In an interview to the Arabic financial daily *Al Aswaq*, Qatari Foreign Minister Sheik Hamad bin Jassim bin Jabr Al-Thani said, "The gas will be transported by tankers to Aqaba port"—although other options were open. To satisfy Israel's need for natural gas, the deal was fine. But it ended there.

FIGURE 1
ENI's Levante gas project configuration

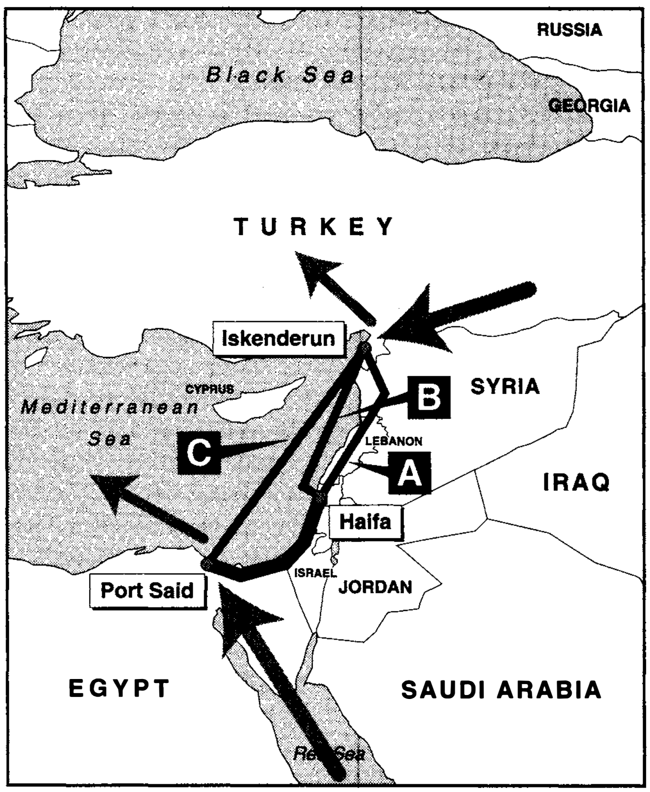
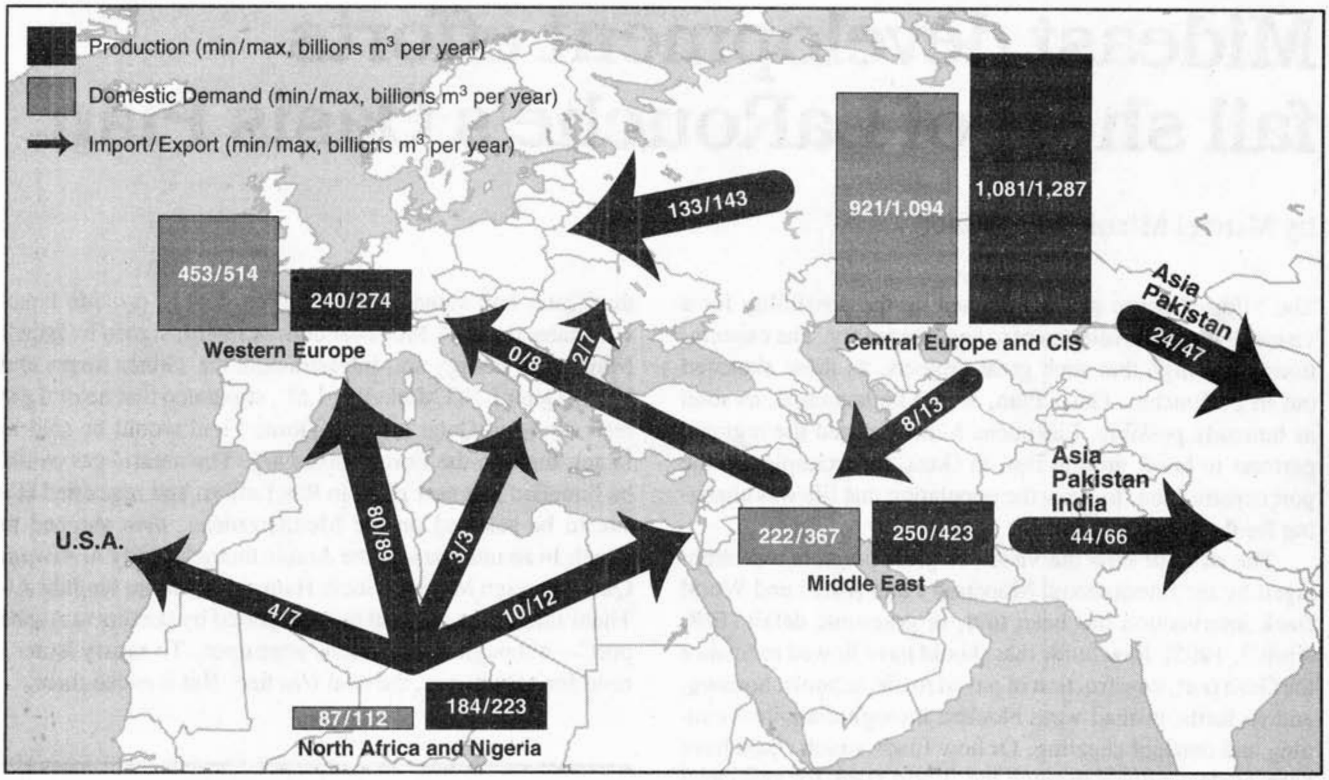


FIGURE 2

ENI's plan for natural gas trade by the year 2010



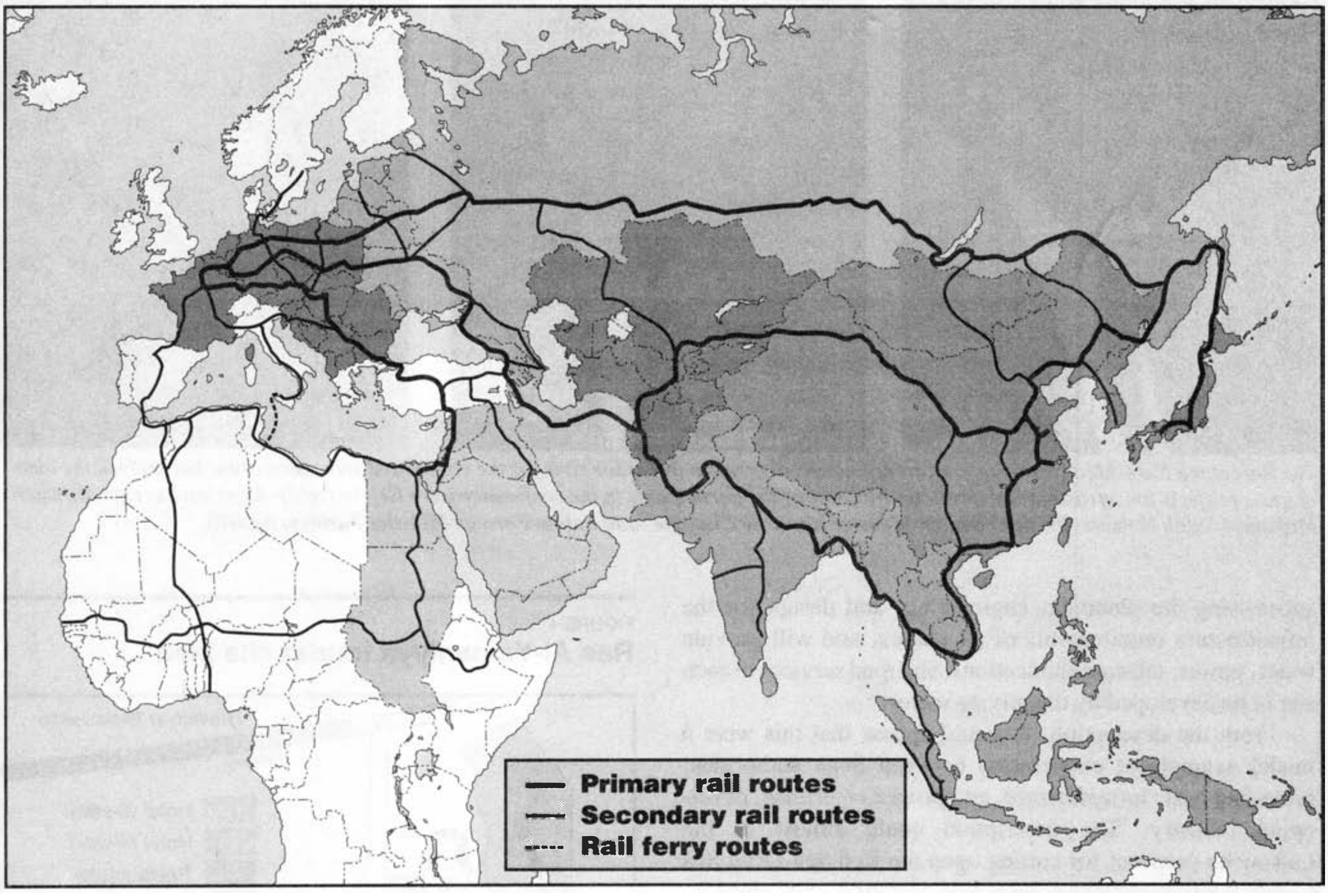
At the same conference, the Italian energy company founded by Enrico Mattei, ENI, presented a proposal for natural gas supply, not only to Israel, but to all the nations in the region that lack this raw material. The ENI proposal envisioned construction of pipelines northward from Port Said in Egypt, which would be the collection point for gas coming from Egypt as well as Gulf countries in the future. As Dr. Luigi Meanti, chairman of ENI SPA, told *EIR*, "We are dealing with a very straightforward situation today: There is the availability of gas in Egypt and the desire on the part of Egypt to export gas toward the east; there is a large country, which is Turkey, which is a big gas importer. Since it is a large country with a rather advanced degree of industrialization, it could constitute the basis for large quantities of gas." He continued, "Then there are the countries along the route, countries that have no gas, like Lebanon, Israel, the [Palestinian autonomous] territories, Jordan (which has gas, but very little). There's a country, Syria, which has a certain amount of gas which it consumes, but which has not developed gas consumption very much. Therefore, there exists the possibility of building a common infrastructure. It is not gigantic, it is a matter of 550 kilometers of pipeline." Out of these considerations, ENI developed the Levante Gas Project.

The concept of "building a common infrastructure" is crucial: Not only does it enhance the commitment to peace, as all those participating benefit from the project, but it creates a "development corridor" along its route. As Dr. Meanti recalled, Italy's postwar experience in reconstruction was based largely on gas: "We were fortunate enough to have significant quantities of gas available," he said. "We had the opportunity to produce networks to make it available to industry. Industry gained tremendous advantages from this." The central point is, he continued, that "there were industrial localities which were born because there was gas available. Gas is a great catalyst, to create industries. And this is what is important. It is especially appropriate for small and medium industries, because a single fuel can be used for all applications." Thus, in ENI's view, such a pipeline design would lay the basis for generating industrial development along its path. This is more than merely supplying gas.

ENI's concept of generating industrialization through gas pipeline networks is not limited to the immediate area of the peace process, but is embedded, so to speak, in a Eurasian vision of pipelines, some under construction, some already functioning, others on the drawing boards (**Figures 1** and **2**). This Eurasian network is understood, correctly, as the backbone of an industrial development process. The pipelines are not merely supplying natural gas, but are defining the routes along which cities and towns, utilizing the gas for industry, would grow up.

It is no wonder that the ENI project was rejected out of hand by Enron executives at the Amman conference.

FIGURE 3
Proposed 'Eurasian land bridge' rail development



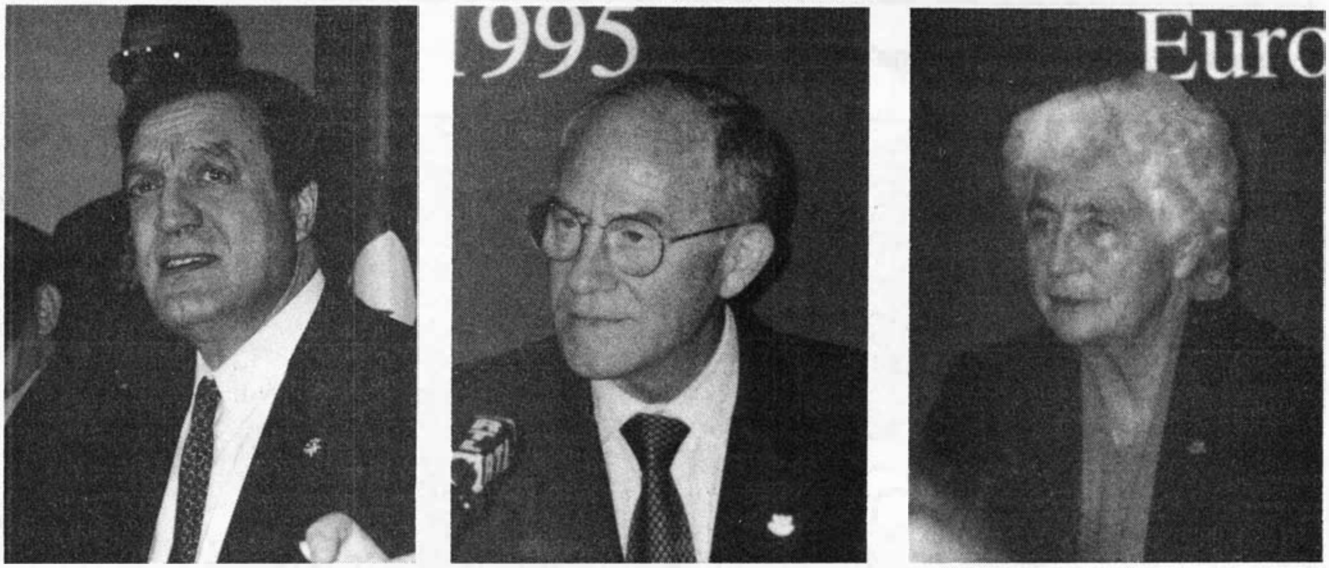
Railroads

Another example of generating industrial development through infrastructure, is rail. The LaRouche "Productive Triangle" program foresees three vast east-west rail lines, along the ancient silk routes, as well as crucial link-ups with a transcontinental African rail network (**Figure 3**). The points of connection are located along the ring around the Mediterranean: A southern European track crosses through Spain into Morocco, and sweeps across northern Africa through Cairo into the Middle East, while the other track coming down through the Balkans and Turkey completes the ring. The projected rail-ferry from Sicily to Tripoli in Libya provides another link. Without this kind of rail network, improvements in trade among the nations of northern Africa cannot be made. Furthermore, as rail networks have historically shown, such transportation lines define the locations for new cities and towns, with their industrial and agricultural activities.

At the Amman conference, little or nothing was said about regional rail networks, whereas such transportation constitutes the precondition for increased trade and industrialization. When *EIR* raised the question at the Barcelona conference, whether, in addition to the airport and seaport improvements that were noted in the final communiqué, there had been discussion of rail systems, Italian Foreign Minister Susanna Agnelli threw up her hands. "Rail?" she asked incredulously. "We are in the Mediterranean. We are talking about an area around a sea. This is water. You can't use trains to cross the sea!"

Get-rich-quick schemes

One more example of infrastructure should be considered, which indeed is being taken seriously in Jordan. This is the infrastructure for the Jordan Valley Authority and for the Aqaba Regional Authority. The JVA, which was established in 1988, is directly under the jurisdiction of the Ministry of Water and Irrigation. As described in the official Jordanian program from the Amman conference, "Building a Prosperous Peace," the authority "begins at the Syrian border in the north, covers the entire Jordan River valley, the northern edge of the Dead Sea, the lower parts of the Yarmouk and Zarqa River basins, and extends to the eastern edge of the Dead Sea." Furthermore, the JVA "is responsible for



The Barcelona Euro-Mediterranean conference vowed to create a free trade zone for the entire Mediterranean area, but shelved the idea of great projects for infrastructure development. Among the participants in the conference were (left to right): Algerian Foreign Minister Mohamed Salah Dembri, French Foreign Minister Hervé de Charette, and Italian Foreign Minister Susanna Agnelli.

supervising the planning, engineering, and design for the infrastructure requirements of all phases, and will provide water, power, telecommunications, and road services to each site to be developed by the private sector."

From the description, it would appear that this were a model example of cooperation between State authorities, providing basic infrastructure, and private enterprise, developing industry. The description could almost fit the LaRouche proposal for cutting open the Red Sea-Dead Sea Canal, floating nuclear-powered desalination units along it, so that towns and cities on both sides could flourish. This is, after all, the idea of infrastructure for industry.

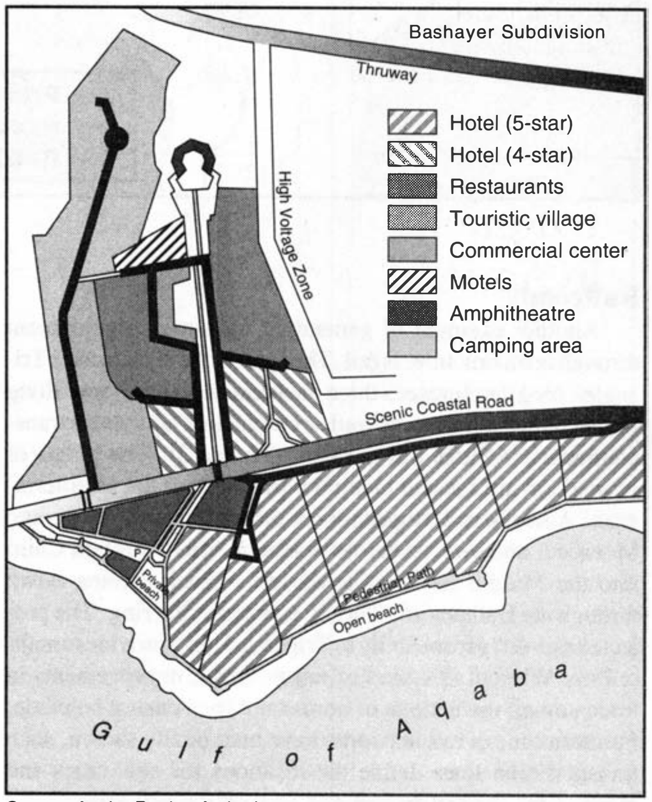
The only hitch is that the "industry" in question here is tourism. The Dead Sea Tourism Project Master Plan, as it is called, was adopted in December 1994 by the JVA. It includes four sites for tourism, involving "the construction of 15,000 hotel rooms and 18,000 housing units along this 60-kilometer stretch of beach by the year 2010."

Similarly, for the Aqaba area, the Aqaba Region Authority "has prepared a master plan for the tourist sector" in the area bordering Israel and Saudi Arabia, in the southern part of Jordan. The South Coast Master Plan "focuses on four major developments: Ras Al-Yamaniyya to the north; Qaboos Tourist Village in the center; the golf course and resort project in the south, and the Disney-style amusement park located to the south of the planned golf course." Ras Al-Yamaniyya is to have eight five-star hotels, with 250 rooms each, three four-star hotels with 200 rooms each, as well as a tourist village, a camping area, and so forth (**Figure 4**).

Within the entire array of projects presented by Jordan at the Amman summit, those relating to tourism represented the lion's share of projected investment; the tourism sector had projects totalling investments of over $1 billion, as compared to $705 million each in minerals and industry, and in water projects. The reason why the tourist sector should enjoy such attention, in a country where a quarter of a million

FIGURE 4

Ras Al-Yamaniyya tourist site plan



Source: Aqaba Region Authority.

Palestinians live in refugee camps, is simple: "It is expected that the 6.3% annual growth in hotel rooms seen over the past ten years will increase dramatically, as will the current average occupancy rate of 65% and the current average daily tourist spending rate of US$96." Jordanian planners consciously make the comparison with Israel's tourist "industry": "To further clarify the underdeveloped nature of Jordan's Dead Sea area, a comparison with Israeli Dead Sea tourism figures is instructive. Recent information provided by hoteliers indicates that Israel has some 2,000 rooms situated on the Dead Sea oriented toward the health/beauty market. Collectively, the hotels are averaging a 75% occupancy rate, with some visitors spending in excess of US$3,000 per week on hotel accommodation, meals, and health/beauty services." The background pice concludes: "There are an additional 1,300 rooms now under construction on the Israeli side of the Dead Sea, with another 3,000 rooms in the design/permit stage, involving major chains such as Hyatt and Holiday Inn. By contrast, Jordan at the present time has only approximately 100 rooms available on the Dead Sea."

The *Jordan Times* reported on Dec. 10, that Tourism and Antiquities Minister Abdul Ilah Al Khatib predicted a meteoric rise in tourism revenues. One million foreign tourists in 1995 were expected to bring in $723 million—a 24% increase over 1994. Based on this trend in the peace dividend, 5 million foreign tourists are expected by the year 2000, "making tourism the biggest hard currency earner in Jordan's economy," according to the *Jordan Times*. "Jordan," it continued, "wants to catch up with Israel, which had a record 2.17 million visitors in 1994 and $2.75 billion revenue."

The fallacy of such "get-rich-quick" thinking was debunked by LaRouche in an interview which appeared during the Amman summit, in a special English-language version of *Al Aswaq*. LaRouche pointed out that the IMF and World Bank for the last 25 years had "almost consistently demanded that so-called 'developing nations' avoid any significant investment in infrastructural development, and place the emphasis upon the general use of cheap-labor investments, with special emphasis upon the promotion of cheap-labor-based tourism as a source for gathering hard-currency receipts." This "tourism-pivotted cheap-labor-investments policy," he said, had become dominant because of the credibility accorded it in the academic community and the insistence with which international institutions pushed it. "The facts," he said, "do not support the propaganda," as shown in the fact that nations "lured into such tourism-centered orientations, end up looting their people and their land, in real terms."

When one considers what the impact would be, of a comparable financial effort to achieve the construction of roads, telecommunications, water facilities, and energy, to build new towns and cities, or even to expand existing ones, to house those who are now living in temporary dwellings, one begins to understand why many people in the region do not find the economic fruits of peace to be so sweet. One grasps as well the urgency of addressing the issue of economic policy in a serious manner.

LaRouche program debated in Amman, Barcelona

Although not present personally at the Amman summit on the Middle East and North Africa, or the Barcelona Euro-Mediterranean conference, Lyndon LaRouche was the subject of animated debate among the thousands of political figures and businessmen present. During the three-day conference held in the Jordanian capital, the Arabic language daily *Al Aswaq* issued a special English-language edition for the conference, called "Amman '95." On the first day of the conference, it featured an article from *EIR* on the critical economic policy issues which would be at the center of debate: a dirigistic approach to regional infrastructure versus the "free-market" approach of the International Monetary Fund, the World Bank, and the World Economic Forum, the sponsoring organization.

On the third day of the meeting, portions of an interview with LaRouche appeared in the daily, entitled: "LaRouche: A Vision of Regional Development." In it, the physical economist developed the parameters for a financial institution that would issue credits for real development in the region. LaRouche defined the comparative economic advantages of the area as three: "First, that the region is one of the chokepoints, between the Mediterranean and Indian-Pacific littorals, and, for that reason, also one of the world's highest economic potential 'land-bridge' regions. It is here that produce of the two oceanic basins, a large portion of the world's sea-borne exportable wealth, comes to port regions bringing together an array of primary and semi-finished products which are the required supply for a great industrial center. Second, that the population has the potential for supplying a skilled, high-technology labor force. Third, that the nations of the region are highly motivated to succeed, by the fact that the present levels of population could not survive in decency without acquiring such development."

At the Barcelona conference, *Al Aswaq* issued a special round-up from Amman, as its contribution to the discussion in Spain. The issue, 2,000 copies of which were distributed, carried an *EIR* summary report on the Amman summit, as well as the complete text of LaRouche's interview, which also appeared in *EIR*, Nov. 17, 1995.