

III. Economics

Twentieth-Century Examples: Development Is the Way to Peace

by Paul Gallagher and Dean Andromidas

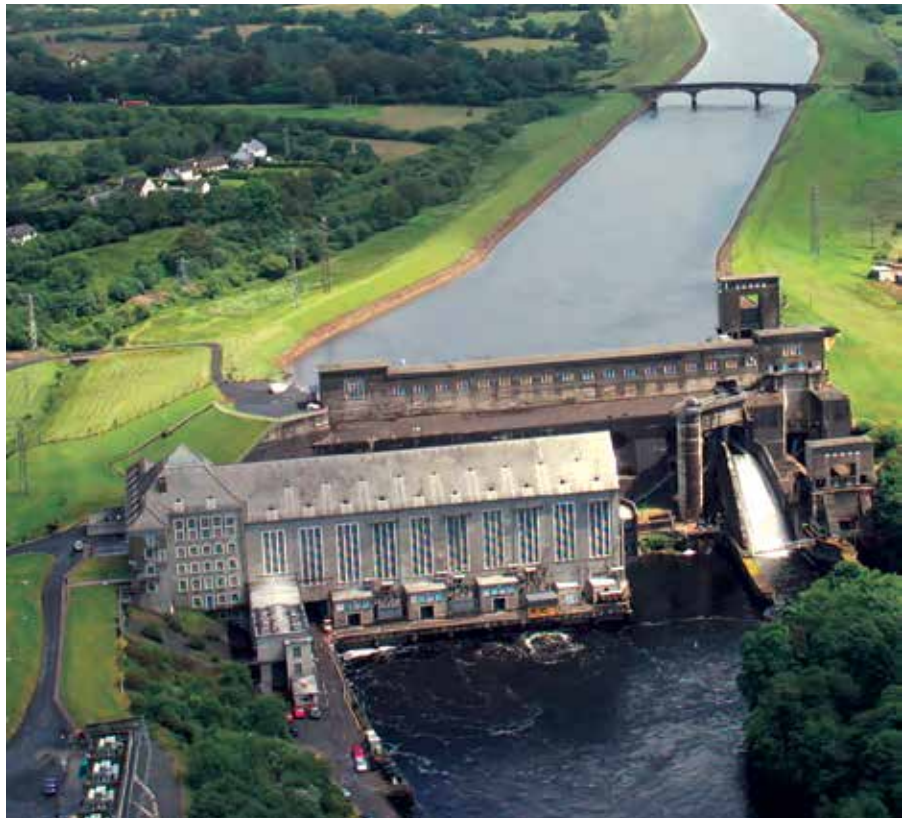
I. 'The Wisdom of St. Patrick'

Knowing that economic development is the essential path to peace, the Schiller Institute has updated and proposed Lyndon LaRouche's "Oasis Plan"—development of water, power, and transport infrastructure across Palestine and Israel—as essential to peace and reconstruction in Gaza, and as an exemplar of extending the Eurasian Land-Bridge development projects through Southwest Asia and into Africa. The intention and the planning of real economic development is the true source of hope, for young people in particular, who face the genocidal ethnic cleansing of Palestinians, backed by the United States and European colonial powers.

This process of *development for peace* succeeded a century ago in a European country which is now the strongest supporter of Palestinian rights of any in Europe. That is Ireland, where pro-Palestine state demonstrations of up to nearly 2% of the whole population have taken place; and the "infection" of this protest among Americans of Irish descent is contributing to trouble for President Biden's re-election.

The Irish exemplar was the great success of the Shannon River Scheme, an international engineering milestone built in the 1920s which, in the words of one professional history of such

engineering milestones, "promoted stability within Ireland following the War of Independence (1919–21) and the Civil War (1922–23)." It was planned in a parliament which was outlawed until 1921; built in and by a nearly ruined nation less than three years old, following five years of war, and with the British-Irish, Protestant-Catholic, and Irish Republican Army conflicts still smoldering. It calmed down anti-colonial violence, and (for the first time in 75 years!) gave growth to population, in the framework of a highly contested "two-state solution" between "enemies."



Electricity Supply Board of Ireland.

The Ardnacrusha Power Station in a headrace drawn from the Shannon River, creating a 30 meter "head" or vertical water drop through the turbines, the world's highest in 1929.

Long Population Decline Stopped

From the very start of the British-engineered Irish holocaust, or famine, in 1845, the population of Ireland *had dropped continuously for 75 years*, and by 1920 had lost more than half its 1840 level of 6–7 million, falling to 3 million people. That disaster was finally ended in the 1920s, then slowly reversed over the past century.

The turning point was the winning of independence for the Irish Free State from imperial Britain, which nonetheless kept hold of the northern Ulster province of Ireland, and holds it still.

That turning point was completed with a great hydroelectric development project, the Shannon River Scheme—one of the world’s leading engineering achievements at its completion and final commissioning in 1929, and the worthy predecessor of the United States’ enduring engineering wonder, the Tennessee Valley Authority project, begun in 1933.

The Irish “Easter Rising” of 1916 had been an event which radicalized the Irish population five years before the nation won independence, and introduced a decade of violence between Irish nationalists and British colonialists, and even civil war. Yet, oddly, the Easter Rising was almost universally blamed on an Irish organization which was built on non-violent civil disobedience, on boycotting British products, and on trying to build an independent industrial capability in Ireland. This was Sinn Féin, formed in 1904 and based on the writings of Friedrich List, the widely known economist of the “American System” of economy in opposition to the British free-trade system.

In its immediate aftermath, the Easter Rising was commonly called the “Sinn Féin Rebellion,” although Sinn Féin leaders played no part in planning it, and opposed it to the extent they were even aware it was being planned. This strange blaming showed that Sinn Féin was the organization the British imperialists were most concerned about, and determined to stop. One British commander of the troops which put down the Rising, a General Maxwell, said he intended “to arrest all dangerous Sinn Féiners [including] those who have taken an active part in the [Sinn Féin] movement although not in the present rebellion.”[!]



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Even though Ireland was not recognized legally as a nation, the Irish Parliament (Dáil Éireann) met to govern what would soon become the Irish Republic. During their war of independence against the British, the Irish Parliament initiated a commission on Ireland’s natural resources that began the planning for what turned into the Shannon River Scheme hydroelectric project three years later. Here, the Parliament meets in August 1921.

A meeting in April 1917 led to the formation of a broad political movement, under the banner of Sinn Féin, which was formalized at the Sinn Féin convention in October 1917. The general election to the British Parliament in December 1918 resulted in Sinn Féin winning 73 of 105 Irish seats, rejection of the seats, formation of the Dáil Éireann (Irish Parliament) in January 1919, and the declaration of independence.

British security forces poured into Ireland through the northern Ulster Province and the War of Independence followed, then a civil war, producing the “two-state solution” which neither adversary really wanted.

But as noted above, it was already that outlawed parliament, the Dáil Éireann of 1920—a parliament that as yet had no state, like the Palestinian Authority today—which created a commission on Ireland’s natural resources that began the planning for what, three years later, turned into the Shannon River Scheme hydroelectric project.

The Shannon Scheme in the World

The chronicle “[Engineering and Technology History](#)” calls the Shannon River Scheme of this fledgling state a “major electrical engineering world reference site.” It says:

The success of the work on the Shannon Scheme earned for the participating German firms a world-wide eminence. The Shannon Scheme, with its head of some 30 meters—which was, up to that time, rarely to be found throughout the world, thus served as an important reference plant for [the constructor] Siemens.

A thesis on the Shannon Scheme said:

The evolution and execution of the Shannon Scheme, the establishment of the Irish Electricity Supply Board [ESB], and the other steps taken in the Free State to encourage the nationalized supply of electricity, had from the start attracted world-wide attention, especially from Germany, Great Britain and the U.S.A. It therefore does not come as a surprise that on 21st October 1929, a few days before the commencement of commercial power supply from the Shannon power station, [New York Governor] Franklin D. Roosevelt sent a letter to Dublin, to the first Public Relations Officer of the ESB, E. A. Lawler, requesting details of the Shannon Scheme and the formation of the ESB.

He wrote that he was very interested in the “magnificent Shannon Scheme,” and asked for a copy of the Electricity (Supply) Act, 1927, as well as the official minutes of the debates in the Irish Parliament. He was following with the “greatest interest” the further development of the Shannon Scheme, and was keen “to receive all further reports” relevant to the Scheme.

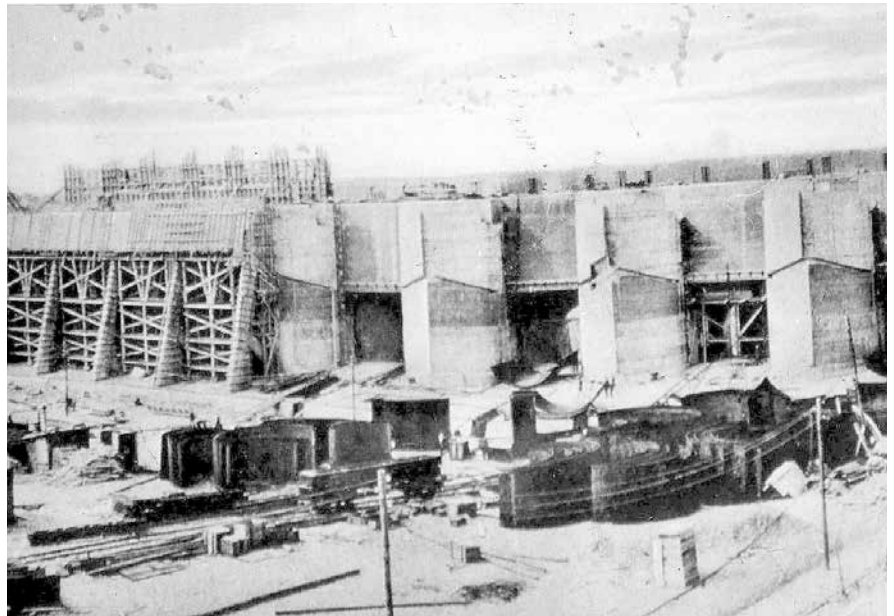
Later Roosevelt—from 1933 to 1945 President of the U.S.—consulted this information for the Tennessee Valley Project, which he had initiated in 1933 in the South East of the U.S.A. as part of his “New Deal.” Under the auspices of the TVA, a huge project for, *inter alia*, the harnessing of hydropower was completed there.

The actual building took place from 1925 to January 1929. Together with the electrical grid that was built, it was the first national, single integrated electricity system in the world, according to the Institute of Electrical and Electronic Engineers (IEEE).

How It Was Built

The Shannon River is about 225 miles in length, the longest river with the highest flow rate in the British Isles; it drains one-fifth of Ireland’s total territory.

The generating station was built at Ardnacrusha, County Clare, in southwest Ireland. Flows from the Shannon River and from two other tributaries were diverted into a headrace for eight miles, to a “head”



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Construction of the Ardnacrusha power station and canal between 1925 and 1929.

or vertical water fall, of just under 30 meters, then the highest in the world. It generated, by 1933, 90 MW of electric power, and provided 200 kilowatt-hours per capita per year to the Irish population already in 1929.

The builder was the Siemens-Schuckert Engineering division of the German company Siemens AG. For 80 years before, there had been “plans” for harnessing the water power of the Shannon; but the first real, fully executable plan was presented in 1923 by Dr. Thomas McLaughlin, an Irish engineer working for Siemens.

The enabling act passed in 1925, the Shannon Electricity Act, included a national distribution grid—a world first—and was controversial. Its cost was £5.2

million in 1925, of a £25 million total national budget of the Irish Free State, and this continued through 1928. Construction took three-and-a-half years, as provided in the Act. Included were about 100 miles of new railroad lines; improvement of local roads around the project and south of it to the Irish coast; and bridges which were built to carry roads and railroads over the new channel of the Shannon (the “headrace”).

The Irish Electricity Supply Board was created in 1927 with Dr. Thomas McLaughlin as its Director, and took control of the completed project in January 1929. It opened to operation in July 1929, supplying 85% of all electric power in Ireland.

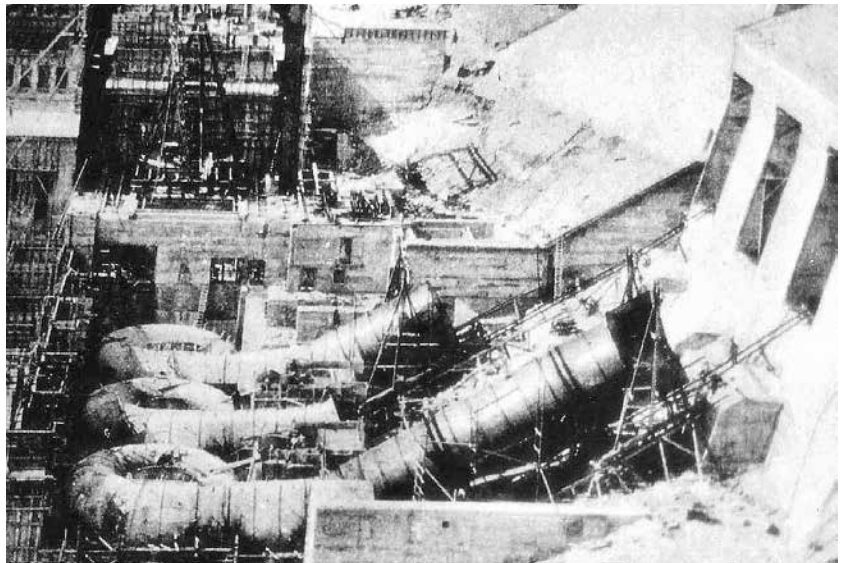
The Archives of the Electricity Supply Board include a document stating:

The scale and importance of the Shannon Scheme made it an economic centerpiece for the development of the modern Irish State. It laid the ground work for rural electrification in the late 1940s, which transformed rural life and improved the quality of life in communities throughout the country, and paved the way for economic, social and cultural change. It was one of the largest engineering projects of its day, and has served as a reference model for other major engineering projects worldwide.

‘The Spirit of the Emerging Nation’

Now quoting, once again, from “Engineering and Technology History”:

The Shannon Scheme for the Electrification of the Irish Free State was an important commercial and political success for the Irish government. The Scheme ... promoted stability within Ireland following the War of Independence (1919–21) and the Civil War (1922–23). Politicians in the Irish Parliament rightly referred to the

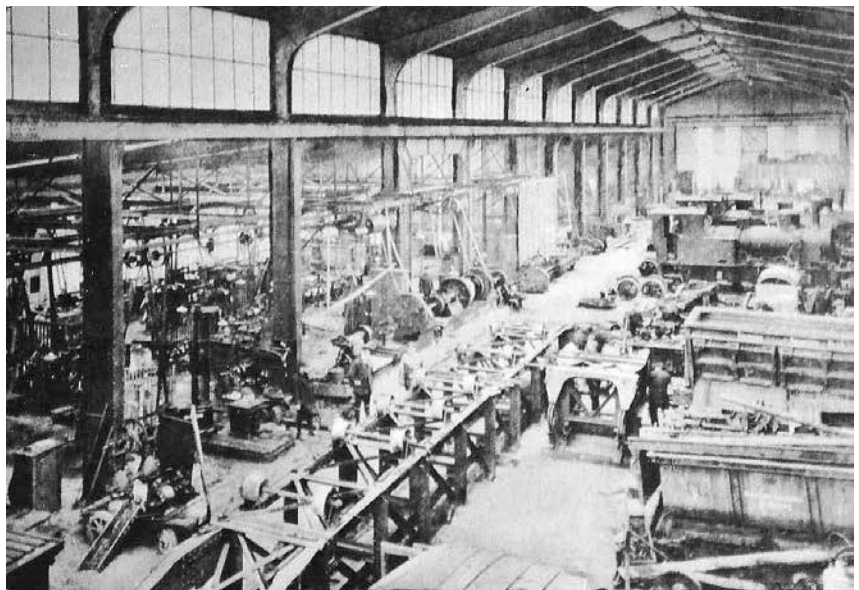


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Construction of the Ardnacrusha power station and canal between 1925 and 1929.

“nation-building” aspect of the Shannon Scheme and there is no doubt that the measures being taken to implement this great technical project captured fully the spirit of the emerging nation....

The detractors, who at outset dubbed the Scheme “McGilligan’s White Elephant,” were subsequently proved wrong when electricity consumption began to rise at a phenomenal rate as soon as Shannon power became available.



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Construction of the Ardnacrusha power station and canal between 1925 and 1929.

The City of London *Financial Times* sized up Ireland's wild colonial boys in December 1928, just before the Scheme was put in operation:

The untried administrators of the Free State ... flung themselves on the Shannon Scheme, though never forgetting the practical benefits they hoped to realize from it for agricultural and industrial development of the land. The President [Eamon de Valera—ed.] and his colleagues are the shrewdest of psychologists. They have had thrown on their shoulders the not easy task, of breaking what in reality is an enormous inferiority complex, and the Shannon Scheme is one and probably the most vital of their methods of doing it. The faith of the Free State in the nation-wide hydroelectric venture is as steadfast as a religious belief.

It is worth noting that the Irish population also “threw itself upon the scheme”: Shannon Scheme tourism became a big internal tourist “show” for Ireland; one estimate was that 250,000 people, out of a population then just over 3 million, traveled to see the Shannon works from 1925 to 1930.

The economic development given by the Shannon River Scheme and associated transport works was essential to help stabilize the period of a “two-state solution” (the Irish Republic, and Ulster), which was extremely uneasy, to put it in extremely mild terms. Only with the Good Friday Agreement of 1998 did the two-state solution become formally recognized by both, and laid open to the possibility of eventual unity.

II. European Coal and Steel Community as Southwest Asia Model

An Israeli-Palestinian settlement will not bring peace to the region unless there is also a peace agreement with Syria, where Israel still occupies the Golan Heights, and Lebanon. In addition, a rapprochement between the United States and Iran is required. A Southwest Asia peace conference is in order: Not one modeled on the abortive 1992 Madrid Peace Conference, but on the



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The signing ceremony for the European Coal and Steel Community Treaty, April 18, 1951 in Paris. From left to right (all foreign ministers except as noted): Paul van Zeeland, Belgium; Joseph Bech, Luxembourg; Joseph Meurice, Belgian Minister of Foreign Trade; Carlo Sforza, Italy; Robert Schuman, France, holding up a copy of the Treaty; German Chancellor Konrad Adenauer; Dirk Stikker, Netherlands; and Johannes van den Brink, Netherlands Minister of Economic Affairs.

principles laid out in Lyndon LaRouche's Oasis Plan in April 1994.

Because of the extreme bitterness between the Israelis and Palestinians, LaRouche [asserted](#), contrary to those who insisted that a political solution must precede dealing with the economic questions:

Before we could have a political solution, we had to have an economic self-interest by both parties in a political solution. 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.

There is a modern historical example to support this principle: the conferences and negotiations that led to the European Coal and Steel Community Treaty, also known as the Treaty of Paris, signed in 1951 and considered the foundation of what has become the European Union. That treaty was a vital necessity for the reconstruction of the European economies which were still in a shambles, five years after the end of World War II. Germany, which had been the motor of the European industrial economies, was divided, and remained under an occupation that shackled its potential recovery and resumption of a central role

in the European economy. The bitterness of France towards Germany had not yet subsided, as it sought to annex Germany's coal-rich Saarland industrial region.

Some European statesmen had a better idea: to bring together the coal and steel producing nations to create an organization of sovereign states, to manage access to the resources necessary for the revival, expansion, and development of the European steel industry, for the common good of all signatories. The latter included West Germany, Belgium, the Netherlands, France, and Italy.

In consideration of bringing the European economy into the nuclear age, a sister organization, the European Atomic Energy Community, was also created.

The preamble of the Treaty of Paris is worth quoting.

CONSIDERING that world peace can be safeguarded only by creative efforts commensurate with the dangers that threaten it, CONVINCED that the contribution which an organized and vital Europe can make to civilization is indispensable to the maintenance of peaceful relations, RECOGNIZING

that Europe can be built only through practical achievements which will first of all create real solidarity, and through the establishment of common bases for economic development, ANXIOUS to help, by expanding their basic production, to raise the standard of living and further the works of peace, RESOLVED to substitute for age-old rivalries the merging of their essential interests; to create, by establishing an economic community, the basis for a broader and deeper community among peoples long divided by bloody conflicts; and to lay the foundations for institutions which will give direction to a destiny hence forward shared, HAVE DECIDED to create a European Coal and Steel Community....

The principle of peace through development clearly emerges from this declaration. Note that the treaty in no way infringed upon or questioned the sovereignty of the member states, since it was founded on the sovereign decision of each state. The institutions it created, such as a commission, an assembly, and a court, were tasked only with implementation of the obligations under this treaty.

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