

# LaRouche Discusses His Policy for the Mideast

*The following interview was published in the London-based Arabic daily Al-Arab International. It was conducted by Al-Arab's Economy Editor, Dr. Mustafa Ali Al-Bazargan, during the May 26-28 ICLC/Schiller Institute conference in Bad Schwalbach, Germany. Dr. Al-Barzagan has published several articles on LaRouche's ideas and political activities. He has also endorsed the Ad Hoc Committee for a New Bretton Woods.*

*The interview is headlined "American Economist and Politician Lyndon LaRouche in a Special Dialogue with Al-Arab International: The Arabs Have No Choice But To Establish an Economic, Financial Bloc To Counter Globalization." The interview appeared on June 21, the same day as the meeting of the Organization of Petroleum Exporting Countries (OPEC) oil ministers in Geneva, to discuss the phony oil price increase. The interview highlights in its banner headline the necessity of regional economic structures as elaborated more emphatically in the past weeks around the world. And, it features LaRouche's condemnation of the Iraqi sanctions and the U.S.-British war there, which comes amid a major Anglo-American drive to start a new conflict in the region. LaRouche is the only U.S. candidate for the Presidential nomination, who has unequivocally committed himself to the immediate lifting of the sanctions against Iraq. The interview has been slightly edited.*

By *Al-Arab* Editor: "American economist and politician Lyndon LaRouche spoke in a comprehensive dialogue with *Al-Arab International*, which dealt with the most important economic and political issues. He dealt with the Arab role in the field of local and regional economy in the Middle East and North Africa. He emphasized a number of necessities that will oblige the Arabs to establish an economic, financial bloc through which they can counter the effects of globalization at a time when regional groupings have become a necessary alternative to single nations.

The following is the text of the dialogue.

**Q:** You often mention oil in your speeches and articles. What do you think about this issue, because now the Clinton Administration has said oil is behind the problems of inflation, the problems in the financial markets. When oil is going up to \$28 or \$30 per barrel, all problems seem to have oil

behind them. Is there any truth in that?

**LaRouche:** No. Clinton is in a phase now in which he is saying things for effect, in terms of the Al Gore election campaign and things of that type. Therefore, he goes with the party line of the Gore faction, and often says things which he doesn't believe. He knows this, but the point is, that he is trying to blame something for the inflation, apart from the present policy of the United States government. The inflation is not caused by the oil, as everybody knows, it is not caused by supply and demand. The inflation is entirely caused by financial speculation. The financial debt piled onto the companies involved in the supply and distribution of petroleum, generates a financial cost, which has nothing to do with the price of the oil.

The answer to this is—first, let's take some examples from the United States, because we do have them. If you compare the rise in the recent three months in the U.S., in the rise of the average real estate prices, you will find that the rise there is almost comparable to the rise of the oil prices, for the same reason. So, how could you say that the rise in the real estate prices in the U.S. has to do with the oil prices in the Middle East?

**Q:** So, the Clinton Administration blames problems either on the oil, or sometimes they use the Iraqi issue.

**LaRouche:** The answer is in the Gore issue. For the President, if you check the record from the beginning of his Administration, Clinton was never really so enthusiastic about bombing the Iraqis. However, Al Gore *is*. And the State Department, Mrs. Albright, or the Brzezinski/Albright clan, is very much for it. Therefore, the President is going along with that. He is going along with the attack on Peru. He doesn't believe it, yet he is doing this, because he is supporting his candidate, Gore, and that is foolish, but he is doing it. What can I say?

**Q:** Okay, let's shift to the IMF and its effects on the Arab countries.

**LaRouche:** Well, there are two areas to this. First of all, the IMF is a creation which is now dominated by the Anglo-American combination, period, which means the London financial center, then Wall Street and its law firms. That is the whole story. The IMF is nothing but an agent of these combined forces. If the system goes bankrupt, and it will do so very soon, the IMF will not exist. It will cease to exist; it will be bankrupt.

**Q:** So, what is the other choice for the Arab countries?

**LaRouche:** Well, first of all, the IMF was a creation of the Bretton Woods agreement. Which means that it is nothing but a creature whose legal existence depends on two things: Number one, it is created by the nation-states that dominate it, actually two, the British Commonwealth and the United



*Lyndon LaRouche on a bridge over the Nile River in Sudan, December 1994.*

States of America, but others were involved. Secondly, it has become an organ of the United Nations Organization, with the same story. When it becomes bankrupt, we have to create a new institution; we may not call it the IMF, but we have to put the IMF into a bankruptcy reorganization.

Very simply, what we must do, is exactly what President Franklin Roosevelt intended to do, had he not died before the end of the war. That we have to go back to the Bretton Woods policy, but this time we must eliminate colonialism. This time we must bring in the developing countries as full partners in running whatever replaces the IMF. And that is the only answer. You have to have true representation, true equality. You want to remove everything that blinds their eyes, except we want the benefit of mutual cooperation. Will we compromise? Yes, but we will always want cooperation. And that's really the answer to it.

**Q:** About your New Bretton Woods, can you give us some details about how it will affect the Arab countries?

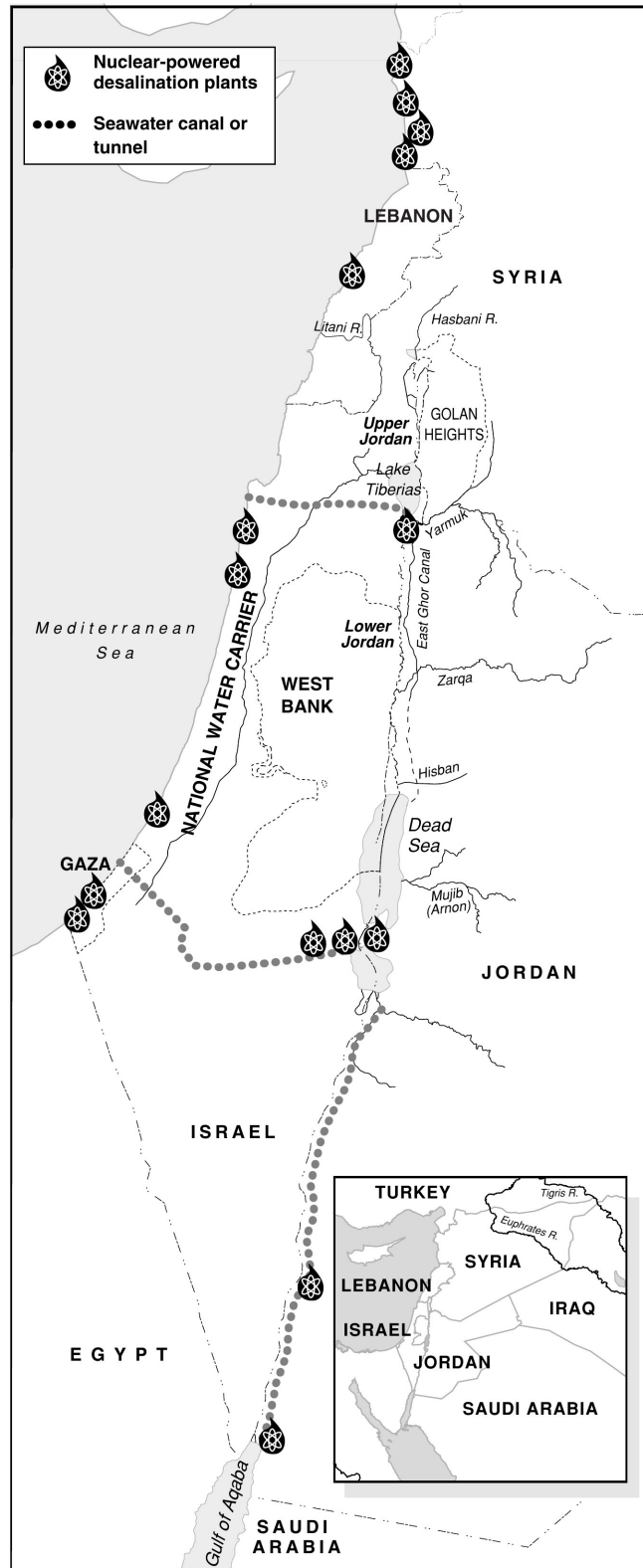
**LaRouche:** Take the period between 1945 at the end of the war until 1958-59. We had fixed exchange rates based on a gold reserve, not gold: an international fixed exchange rate using gold at a fixed price as a way of fixing currencies. It was actually not based on gold, but on the fact that every country agreed to pay its balance of payments in terms of commodities or long-term trade contracts. So, fine; go back to that system, to a protectionist system, protect the prices of many commodities, particularly primary commodities. We don't want pri-

mary commodities fluctuating wildly. It is bad for the world economy. For example, the oil price: We have a basic indicated structure of the oil price, which is made constant with respect to the base of a gold reserve standard. You will take other key minerals, like copper, silver, give them, or agree to give them a relevant price of certain criteria. What you don't want, is inflation.

So, officially, you need two things: You want to have stable agreements, because you want long-term investment agreements. Therefore, we want fixed exchange rates, low rates, long-term agreements, 20-, 25-, 30-year agreements, because infrastructure investment is really 20 to 30 years.

For example, take the Middle East—take North Africa, the Middle East, the so-called Arab world. Now, we just lost peace, the peace process in the Middle East, for the time being. We lost it primarily because the President behaved like an idiot. There is no possibility for peace in the Middle East without water desalination on a massive scale. You cannot quarrel about insufficient water; you must have sufficient water. Now, we can do that, we have the technology; we had in a recent issue of *EIR*, a report on these matters [see **Figure 1** and *EIR*, May 19]. If you bring a number of the high-temperature nuclear reactors—which the Russians can make, which the South Africans are making on the German model, we can use that model—we can use mass desalination to create new centers of agriculture. It takes three years to turn the desert area into a growing area if we use the modern technologies we have. You take large

## Proposed Nuclear Desalination—Make Water Resources to Make Peace



areas, and you say, these are the centers of the future. You take a program like the Egyptians had, until 1982, for the agro-industrial centers. Take that program, because the Egyptians designed it very well. Take a map of the Middle East and North Africa, let's take what Muammar al-Qaddafi did with this Great Man-Made River. But, let's take it in those terms. We will make this land area, turn it into a cultivated area. Now, we will be able to offer people in this area peaceful cooperation, because they will not fight over water. If we have adequate transportation, adequate water, adequate energy, why should we fight?

I flew over Jordan, I flew over areas from Sudan to Jordan: What do I see? I see desert. Why should there be desert there? Much of this land, with water, we can develop it. It takes three to five years to turn it from yellow to brown to black land with the proper methods. Years ago, I went up the Euphrates and saw all these areas, I remembered these days from Haroun Al-Rashid, because at the time of Haroun Al-Rashid there had been 30 million Iraqis. Thirty million! That's the difference. You walk up the river, you find a small village and a water mill with nice palms and fruit and so forth. The next one, not working. Next one, not working. So, if you have enough water, if you have an agreement on nuclear energy development, we can provide the desalination.

We should not be using oil for the long term for fuel. We should be using it for the development of the petrochemical industry. So, there should be a long-term process of converting so-called petrochemicals into petrochemical feedstock for industrial production. The area that produces oil should now be in a 20- to 30-year process of being reoriented toward developing petrochemical industries, plastics, and medical and all kinds of materials. You generate a higher rate of return, and you develop the people of the entire area. You want to buy a higher standard of living, better education, end the poverty, end the misery. That is the way to bring peace. And therefore, this is the way to go.

We have to get long-term credit, of 25-30 years. We have to get infrastructure development, which is needed in the Middle East. The most important thing is infrastructure. End this nonsense, this quarrel, and this poverty, through infrastructure development. Turn the desert into a rich land. The whole Sahara was once rich; bring that back. And therefore, on that basis, long-term investment to build the productive powers of labor, build up new industries, with modern technology. It works! We have done this kind of thing before, not in this way, not on this scale, but we have done it, and we know it works. Do it.

**Q:** Let me just go back to the oil problem. There were suggestions in the last two weeks . . . the Qataris want to form a new organization, and in addition to the OPEC members, bring in other, outside oil-producers, I mean Britain and Norway, and bring producers and consumers together. What do you think?

**LaRouche:** It is a good idea. I think it is not so difficult. Let's take the case of the ASEAN-plus-Three, the Chiang Mai proposal. It is not official. Malaysia is pushing it, as a leader in pushing this. They don't go far enough, they are cautious, because of the repercussions of this. China is interested in it. [former Japanese Vice Finance Minister] Eisuke Sakakibara is still behind it, he proposed it first in 1997. It makes sense for Japan, Korea, and China to cooperate with the ASEAN group of nations. Therefore, will it not be interesting to include countries which are oil-producing countries, to make agreements which involve their customer nations, in terms of new technology and so forth?

Let's take Sudan. Sudan has now become an oil-producing country — on a small scale, but it has certain infrastructure to serve this. Sudan is the largest country in Africa physically. It has a large territory with a lot of desert, but also has access now to energy areas, and with water management and water desalination, suddenly Sudan can become a great country in every respect.

So, you have this thing with Sudan, Egypt, on one side, and on the other side, you have the Arab sector there. So, the idea in the Arab world, and with other parts of the world, especially this thing with Southeast Asia, ASEAN, I would look in that direction. It is steps in that direction — if you can not go the whole way, a step in that direction. The association of producer-consumer nations is a good step.

**Q:** What is your opinion on economic sanctions in general?

**LaRouche:** Sanctions? No. It is stupid.

**Q:** And why?

**LaRouche:** Well, look what they have done with Iraq. This is a crime against humanity. The war was immoral and illegal in the first place. It could have been avoided. It should have been avoided. The whole group of nations involved should have discussed and resolved the matter on a peaceful basis.

There were problems with Kuwait, there were problems with Iraq and what was done to the Iraqi oil fields. This could have been negotiated. But, somebody in London, and elsewhere, wanted the war. They wanted to have their wonderful little war. Maggie Thatcher needed another war. This is what she is good at. The witch who comes and brings war.

In this case, the principle of the Treaty of Westphalia should apply. You don't get peace by sanctions. You get peace by saying: We don't want war, therefore, what do we want? What will we agree to? And come to a possible agreement — like the Treaty of Westphalia, as a model. What do we want the standards of peaceful cooperation to be? What does everybody gain, that they will live with it? And that what should work, like in the issue in the Middle East and the Balkans: End this business of sanctions and reparations. Rebuild the area. Treaty of Westphalia. Use the lessons

we had from economic cooperation. *Do* it. It is not such a big thing. We did it before. We used to do it; before the Versailles Treaty, we did not have sanctions. We didn't have retributions. All the great things are moral things.

In the case of Ibero-America, what Mexico, Central America, South America paid in terms of what their debt obligations are, they paid probably about twice as much as what they actually ever owed. Now, if you take what they paid in debt — now, what did they pay, not in terms of bookkeeping adjustment? What happened is that each of these countries adjusted the amount of debt. But the country would get no money. It will incur debt for which it was paid nothing. And that was unjust and immoral. And that is the argument that should be made, that this immoral system is now dying. . . . It is dying because God wanted it to die, because it was immoral.

Therefore, forgive the debt, especially the Third World countries that have been impoverished by these kinds of conditions. Therefore, they should forgive the debt. It was a mistake that was imposed by force, it was imposed by might and authority, it was not made by free will, it was not honestly incurred, but imposed by force; therefore, it was extortion. So, these countries can free themselves from the sin of extortion and misery, by freeing their debtors from this imprisonment. I think a general case should be made, because I think it is very important, not to merely insist upon something, but to make a reasonable argument for doing it, which makes it a principle of law, not an arbitrary decision. It is always good to make an argument of law.

**Q:** On the situation in the United States, and the violation of democracy there. Last year, I wrote many articles about Mr. LaRouche, and I get many calls. They say, "Are you sure this is happening in America?" So, would you enlighten us about this issue?

**LaRouche:** The problem is simple. The problem with the use of the word "democracy," is that people who use the term do not accept the idea of truth. Take the case of simple justice: A person is accused in court with a serious criminal charge. Is the person going to have a truthful hearing on the charges? Is the truth going to be served? Is the argument of the prosecution the truth or not, false? Is the argument of the defendant true or false? Now, what happens if you go to a court, and they say there is no such thing as truth, there is only opinion. And you say, is the opinion of the judge and the prosecution more important than the opinion of the person who is charged? And therefore, you have in the United States criminal justice system, a horrendous miscarriage of justice. The courts no longer accept truth as a standard of justice.

So, what people want: They don't want democracy. What they want is truth. They want the protection of being treated justly according to truth, which means that the smallest

person, in terms of power, should have the right to go into a court, or into the elections, or anywhere else, and have the right of having his interest truthfully expressed, and truthfully heard, and truthfully decided in a just matter. That is what decides; the idea of the democracy of opinion does not answer the question. The answer is truth, and the question of what are the natural rights of human beings. Is the human being an animal, or something different than an animal? Therefore, is it immoral to impose conditions on people which are inhuman? Therefore, the standard of justice and truth is the obligation to discover the truth. The court may not know the truth, the defendant may not know the truth, the prosecutor may not know the truth, but the trial must be a process in which the truth may be discovered, or at least in which the truth is not abused. Which is to say, we don't know this, we can't decide that, but this much we know to be the truth, therefore, we will make a decision on what we know to be the truth. And take into account that we don't know everything, but will leave room for further discovery of the truth. So, the issue here is truth, and the United States has no respect for truth anymore.

Take, for example, the visit in 1998 of Al Gore to Kuala Lumpur. He was a guest of the conference, which was hosted by the government of Malaysia. He walked in there without showing courtesy beforehand, and made raving, degrading insults against the person of [Prime Minister] Mahathir bin Mohamad, and then walked out. And we had the U.S. Secretary of State there making similar noises. If I were President of the United States, I would publicly denounce him, because you don't do that. We have a situation in Peru similar to that. What is done by the United States all over the world is the same thing: It is unjust; it is untruthful.

The important thing is that the U.S. has a function in the world, but it must be confined to that historically determined function. We must never perpetrate injustice. The United States must never perpetrate injustice. We don't need to. It is not to our advantage to perpetrate injustice.

I remember at the end of the war [World War II], the United States was loved all over the world. In most parts at least. Today, it is hated in most parts of the world. Why? Because of that policy, because of bad press, lying press everywhere in the world, and that bad policy. American people don't know what is going on, but that is the issue. The United States represents something. It is not perfect. It is a historical phenomenon, which has a very important place in modern history. It must be true to what it represents. Fine, admire the United States and what it represents, and tell the United States to continue to be that please.

**Q:** Who can tell her that?

**LaRouche:** I can tell her that. It is my job. Someone has to say it — someone from the United States that makes it special. Don't be afraid. We have some monsters in the United States, but don't be afraid.

**Q:** Now we have the Secretary of Energy, Bill Richardson, and he is intending to go to the Gulf in June before the OPEC conference. So, what do you think?

**LaRouche:** No, he is just doing what he is told. There is hysteria in the White House. The President is very weak, has no political power, lost most of it, and Al Gore represents this. You have Defense Secretary [William] Cohen. . . . Madeleine Albright is a global disaster. She is, in fact, an embarrassment for the whole solar system. Richardson is not a bad person.

**Q:** That is the point. I met him in November 1998. I asked him two questions. First he answered about Iraq. When I discussed the issue of sanctions he said, "No, I can't answer. This issue is the decision of the government." Does that mean that the U.S. will turn in the eyes of the Arab people from the land of democracy to the land of dictatorship?

**LaRouche:** Yes, "Look I only take orders here." That is the weakness of the situation. I don't believe that kind of government. I think a minister within a government should be able to say what he believes, including saying that "my government's position is this. Some of us don't agree, but this is our position. Do you want to discuss? We discuss. I will convey your ideas back to the government." That is a responsible person. That is the way to do it.

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