

Great infrastructure projects move to top of world agenda

by Mark Burdman

It was in November 1989, with the fall of the Berlin Wall and German reunification imminently on the horizon, that American economist and statesman Lyndon LaRouche, from prison in the United States, proposed the launching of a massive Eurasian reconstruction and development program, based on large-scale infrastructure projects generated out of a geographical "triangle" of Berlin-Vienna-Paris. In late 1990, while still a political prisoner of President George Bush, LaRouche launched another proposal, an "Oasis Plan" for water projects and transport/infrastructure development throughout the Middle East and Western Asia, as an alternative to the "new world order" war drive of Bush and British Prime Minister Margaret Thatcher in the Persian Gulf. Both of these proposals have received wide international circulation.

Now, some years later, with the world financial system in a terminal crisis, the physical economy of nations and continents in collapse, and the dangers of new wars resulting from these financial and economic factors increasing every day, various leading forces around the world, in Moscow, in Beijing, in the Middle East, and in Europe, are expressing the view that the time has come to launch ambitious projects along the lines of what LaRouche has been calling for.

On May 13, at the conclusion of his state visit to Germany, Russian President Boris Yeltsin issued a call in the city of Stuttgart, before representatives of German industry, for the construction of a high-speed railway linking Moscow to Paris, via Warsaw, Berlin, and Frankfurt, as well as for a highway from Moscow to Berlin. As the Russian weekly *Literaturnaya Gazeta* pointed out the week of May 16 in a dispatch from Bonn, the Germans found Yeltsin's ideas "reasonable and realistic." Government spokesmen have de-

clared that German Chancellor Helmut Kohl would lobby for state, rather than private, funding for the railway component of Yeltsin's proposal, when Germany assumes the presidency of the European Union beginning July 1. Knowledgeable sources in Europe insist that there is considerable enthusiasm in France for such new high-speed rail links, although there has not been, as of this writing, any official French government response to Yeltsin's Stuttgart speech.

Also in mid-May, the vice-minister of the State Science and Technology Commission of China, Hui Yongzhen, provided written responses to questions submitted by *EIR*, in which he enthusiastically promoted the project of a "New Asia and Europe Continental Bridge," for linking Asia to Europe via high-speed magnetic levitation (maglev) and other kinds of railways. Mr. Hui stressed that this project should be seen as a "Bridge to World Peace" (see interview, p. 7).

A similar current is being expressed in the war-torn Middle East. Now that Israeli troops have left the Palestinian areas of the city of Jericho and the Gaza Strip, in accordance with the September 1993 Gaza-Jericho Agreement signed at the White House by Palestine Liberation Organization Chairman Yasser Arafat and Israeli Prime Minister Yitzhak Rabin, the issue of economic development in the region is, more than ever, on the agenda. As a leading PLO official stressed on German television May 18, there is now a very short time period ahead, in which the Palestinian population must see concrete steps of economic progress, or else the mood will sink into cynicism, despair, and rage.

From the Israeli side, Deputy Foreign Minister Yossi Beilin stated in a speech in London on May 13, that in the next five years in the Middle East, there would emerge "the building of a common infrastructure." This would involve

several countries, including Israel, Egypt, Jordan, Syria, and, said Beilin, "Palestine"—an unusual recognition by a senior Israeli official of Palestine as an ultimately sovereign entity. Should this common infrastructure actually be created, "in the next 10 years or so we can look at the possibility of a common market" in the Middle East, Beilin stated. He called for integrating the electricity grids of Egypt, Jordan, Palestine, and Israel, along the lines of the existing agreements between Turkey and Iraq.

'A good time to put forward such an idea'

As the Yeltsin proposal came directly from the Russian head of state, it is bound to have an effect on the changing political environment in Europe, and will put questions of infrastructure development high on the political agenda. In Germany, millions of citizens were able to read about his high-speed rail proposal in the daily press. The *Frankfurter Allgemeine Zeitung* reported the comments of German Transport Minister Matthias Wissmann, that building such rail lines would be an important theme during Germany's presidency of the European Union, and that, whereas the proposed highway project would have to be financed with private capital, the German chancellor had promised to make efforts within the EU for governments' funding of the high-speed rail project. The *Frankfurter Rundschau*, after stressing Yeltsin's "great interest" in a "fast-train link from Paris, via Frankfurt-am-Main, Berlin, and Warsaw, to Moscow," cited the German government view, that such a route would fit into "the strategic concept of getting more goods and passengers on the rails."

A European influential based in Paris praised Yeltsin's proposal in a May 16 discussion, asserting that "Yeltsin's guys have done their homework," since it is "a good time now to put forward such an idea in western Europe. . . . I think the French will like the proposal; they are already keen on extending their TGV [high-speed train] technology outside France, and will hope to place their equipment in various countries. . . . There is now a mood in Europe favoring big projects. The Europeans are desperately looking for some new investments that can be used to re-employ people, because the unemployment problem is really getting bad. Remember [European Commission President Jacques] Delors's plan for large-scale investment in infrastructure. . . . The Germans are right if they are delighted with this proposal, and the French would also be right if they were delighted. The British, of course, don't like this, but they are out of the picture on such projects."

The source also said that such proposals made great sense from the physical-economic standpoint in Russia itself, given the horrendous state of Russian rails and roads. The country is still suffering, he asserted, from Josef Stalin's abhorrence of East-West infrastructure projects, since these were seen by Stalin as possible "invasion routes" from the West against the Soviet Union.

This expert's evaluation on the parlous state of affairs in Russia is amply borne out by the latest figures issued by the State Statistical Committee of Russia for the first trimester of 1994. These show a massive collapse in industrial output compared to the same period in 1993. Overall output has dropped by 25.4%, but in machine tools the drop has been 45%, in truck manufacturing 66%, and in tractor production a whopping 80%. In the face of such a situation, there is tremendous unrest in certain parts of the labor force, with strikes and/or political protests planned by employees in the sectors of defense industry and metallurgy in the coming weeks. The economic potentials of sectors like these are precisely the kind of capabilities that would be brought back into play by a high-technology-vectored infrastructure program, along the lines indicated by Yeltsin's Stuttgart proposal.

But now that the issue of high-speed rail transport has been placed on the agenda, the question arises: Why not build the rail links using the most advanced technology—maglev—as LaRouche has specified? The German-designed Transrapid maglev train could make the trip from Berlin to Moscow in just four hours—almost as fast as by plane. The construction costs are not much higher than for traditional high-speed rail technology, and the benefits would be enormous.

Eurasian development vs. British geopolitics

A leading expert on Russia observed that there is "much more behind this proposal than just Yeltsin." He insisted that a "new coherence" is emerging in Russian policies, and that a general shift is occurring on the continent, away from traditional European politics toward a new "Eurasian" perspective. He forecast that the Russians, Germans, and French would come to a wide range of agreements on economic and infrastructural projects over the coming years, and that key newly independent Central Asian nations, such as Kazakhstan, would play an important role as a "bridge between Europe and the Pacific and China." He said that the future of Eurasia would be characterized by projects extending from "Brest to Vladivostok"—curiously echoing LaRouche's notion of the extent of the geographical area that would be positively affected by his "Productive Triangle" proposal.

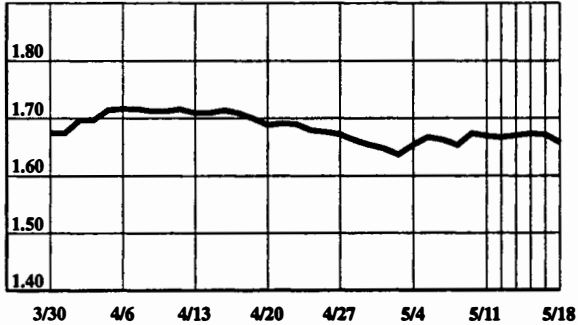
This source, who is intimately familiar with the thinking of geopoliticians in London, forecast that the British would do all in their power to "delay and wreck" the new emerging Eurasian geometry, but that these efforts would ultimately fail. "British thinkers today are nostalgics, they are 50 years out of date, trying desperately to reconstruct the old structures, while the people on the continent who matter, are thinking of developing the future." He denounced the "balance-of-power" ideas of the British Foreign Office and Henry Kissinger as "phantasmagoric."

Whether this vision of the future proves to be too optimistic or not, will depend on the *political will* of Europe, Russian, Chinese, and other planners, to neutralize and quaran-

Currency Rates

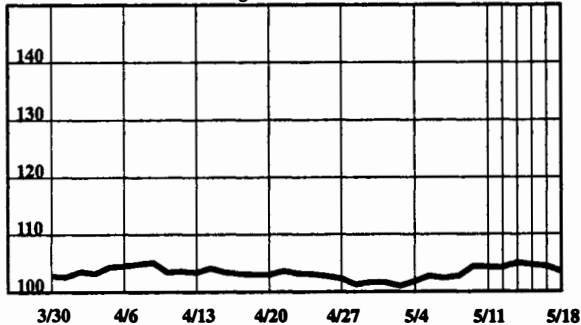
The dollar in deutschemarks

New York late afternoon fixing



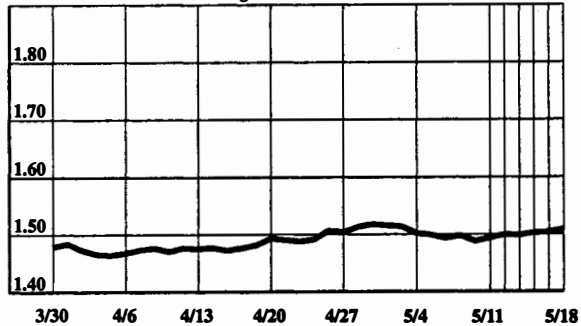
The dollar in yen

New York late afternoon fixing



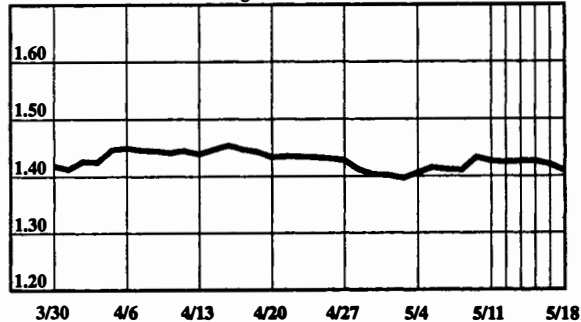
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



tine the British geopolitical maniacs and their stooges in the United States, who overlap significantly with the crowd working to topple the U.S. Clinton administration, which is the least subservient to the British foreign policy of any U.S. administration for many years. The British are, indeed, obsessed with stopping the industrial-infrastructure development of what they are wont to characterize as the "Eurasian heartland," the term used by the seminal geopolitical thinker Sir Halford Mackinder, earlier in this century. It was precisely in order to stop such a potentiality, that the British launched the destabilizations and divide-and-conquer strategies in the latter part of the 19th century that created the circumstances that made World War I inevitable.

That European, especially German, railroad development was seen as a *casus belli* by the British, was admitted recently in a backhanded way by leading British spokesmen. In an address before the elite Ditchley Foundation last summer, British historian Sir Michael Howard claimed that the development of railways in Germany in the second half of the 19th century was what caused two world wars in this century. Another example of such historical inversion, is the book *On Secret Service East of Constantinople*, by chronicler Peter Hopkirk, which was released in April of this year. Hopkirk contends that World War I was caused by the German project for a Berlin-Baghdad Railway, an idea which, he asserted, originated from "the first German imperialist," economist Friedrich List. He claims that his book is all the more timely now, in view of growing fears of "German and Russian hegemonial ambitions" today.

List, in reality, was the leading international proponent of the "American System" of economics—that same system which, as China's Sun Yat-sen correctly realized, allowed the United States to surpass Great Britain in economic development in the second half of the century. It is rather the British panic over, and hatred for, the American System, that has produced the world wars of this century.

More recently, the same fanatical British geopolitical drive to stop Eurasian development is seen in the British response to German unification in 1989-90: the unleashing of the war in the Balkans and the initiation of a massive international propaganda campaign denouncing the newly unified Germany as a "Fourth Reich." The assassination of Deutsche Bank chief Alfred Herrhausen, who promoted ambitious plans for European infrastructural development, was also motivated by this policy, pointing suspicion toward the British secret services' role.

The geopolitical world view is propounded in the United States by Henry Kissinger, a self-professed agent of the British Foreign Office, whose new book, *Diplomacy*, has been lavishly praised by British Foreign Secretary Douglas Hurd. Kissinger's friends in Britain and the United States are frantic over the growing interest in LaRouche's approach in Eurasia and the Middle East, which threatens to upset their entire strategic gameplan.