

Building the Silk Road land-bridge

by Helga Zepp LaRouche

Mrs. LaRouche is the president of the Schiller Institute in Germany and the chairman of the Schiller Institute Board of Directors in the United States. Her speech, delivered on May 8, was titled: "Building the Silk Road Land-Bridge: The Basis for the Mutual Security Interests of Asia and Europe."

Although the opening of the east-west European borders in 1989 brought to an end, irreversibly, the postwar order defined by the Yalta agreement, and the world, since the end of the Soviet Union, is no longer defined by bipolar constellations, the old ideas of "balance of power" politics are, unfortunately, still having an effect in many places. This school of thought considers a nation's "interests" to be defined by such criteria as the struggle for control of resources, and "spheres of influence." In recent years, a well-known Ameri-

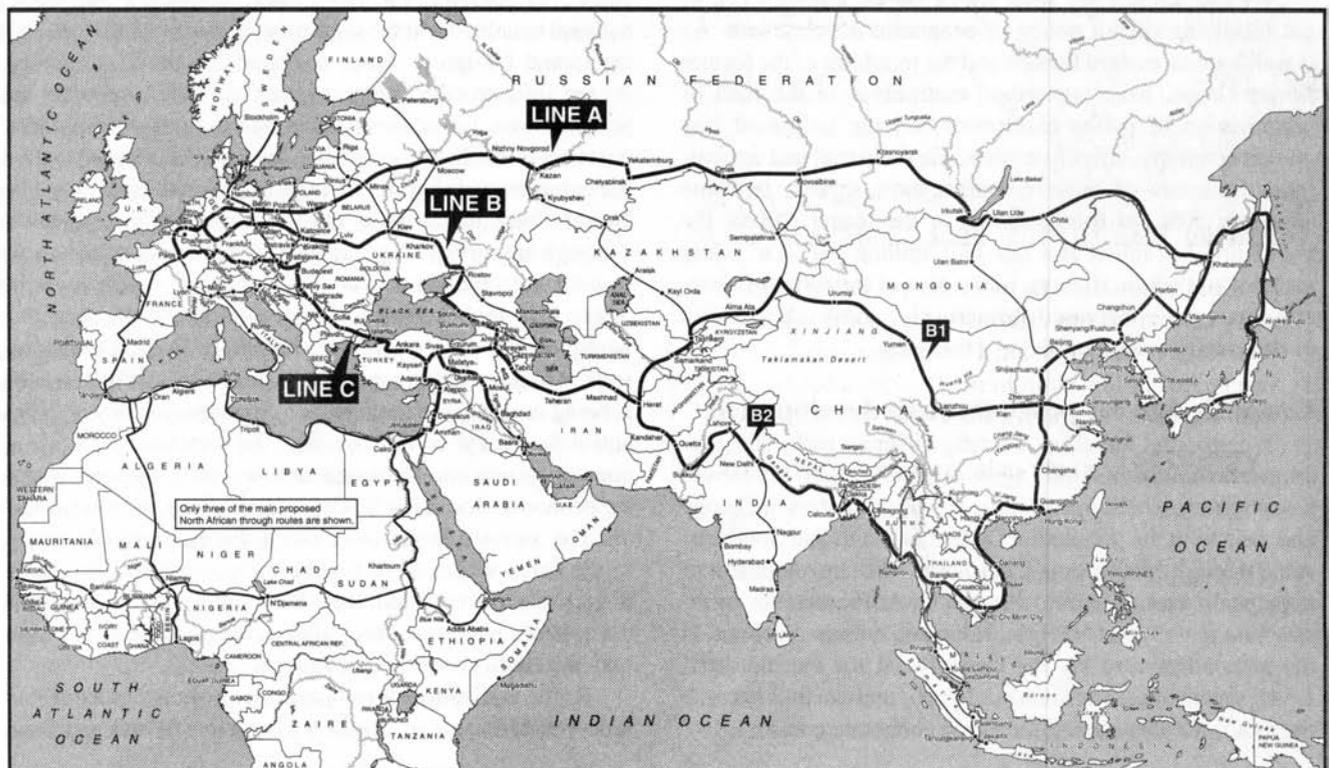
can author put into circulation a "thesis" about the coming "clash of civilizations," namely that supposedly unbridgeable differences between the different cultures of the world, would cause the launching of new waves of military conflicts.

It were tragic, if we were to fall for such nonsense, which is nothing more than an intelligence operation, fed by geopolitical motives. There is no such contradiction among world cultures, that cannot be overcome. To the contrary, it is the characteristic of man, which differentiates him from all other living beings, that he possesses the unique quality of creative reason. This is the universal quality which unites all men, and allows man to find the ever-higher levels, on which conflicts can be solved. In China, this philosophy has been well known since the contribution of the great universal thinker Confucius.

Based on this thinking, American economist Lyndon LaRouche proposed an economic program, the foundation-stone of which is that only the global reconstruction of the world economy can create a way out of the present crisis. The development of the Eurasian land-bridge, and the integration of the Eurasian continent, must play the central role in this program.

LaRouche made the first proposal in this direction, in a press conference in Berlin in October 1988, and it was shortly thereafter presented to the U.S. public in a nationally

The Schiller Institute's Eurasia Rail Plan



broadcast television show. In November 1989, after the Berlin Wall had fallen, LaRouche proposed a program for the "Productive Triangle," in which he defined the guidelines for East-West cooperation, in the development of western Europe. The essential concept, was to use the industrial and technological potential of the economic region, defined by the cities of Paris-Berlin-Vienna, via a system of "corridors," for the development of all Eurasia.

The opening of the land-bridge between China and the CIS [Community of Independent States] nations in 1992, represented a first important breakthrough. Since then, a number of conferences and publications on this theme, in China and other countries, shows that the impulse to overcome the economic crisis in this way is very much alive. A few years later, European Commission President Jacques Delors presented a similar plan, named for him. This is, however, restricted to Europe, and, because of the "logic" of the Maastricht Treaty, has not even begun to be realized.

Any competent economic consideration, must start from the point that already today, three-fourths of the world's population, 4.4 billion people, live in Eurasia, and that, given normal "development," without catastrophe, that population will grow to 7-10 billion.

If, in the next years, we are to prevent seismic economic and demographic collapses, it would be urgently required to overcome the current underdevelopment of vast parts of the former Soviet Union, China, India, South and Southeast Asia, in basic infrastructure (water supply, modern transport networks, energy production and distribution).

We can already see what would be the consequence of not following such a policy of economic development: As is well known, eastern Europe and the republics of the former Soviet Union, have committed themselves to the path of privatization of public enterprises and the unlimited free market economy. After five years, the industrial and agricultural capacities of those countries have shrunk, in some areas, by 50%. In Russia alone, in the recent period, the population has fallen at a rate of 1 million per year, while national and ethnic tensions in the area of the former Comecon states have increased dangerously, above all, because of drastically worsened living conditions.

Grand design for peace through development

We propose, therefore, a totally different path. The governments of Eurasia should agree on an integrated infrastructure program, which connects the industrial centers of Europe and Asia with the population centers in South and Southeast Asia, through "development corridors." The development of those main axes of traffic, through Great Projects for infrastructure in transport, energy, water, and communications, is the precondition, to lay the groundwork for the industrial development of the Eurasian land-mass, and can thus become the motor for overcoming the world economic crisis.

At the same time, only this form of economic cooperation, in the interests of all participating nations, can represent the basis for a durable peace for the twenty-first century. The concept is: "Peace through Development."

The central aspect of this program, is an Eurasian network of high-speed trains for transport of persons and goods, in which the three main lines indicated on the map, connect most of approximately 60 big cities with each other. This infrastructural integration will mean an enormous increase of the economic efficiency of the connected economic area of more than 1 billion people living alongside these lines. In connection with this rail network, internal waterways must be modernized and extended. The construction of new ports will lay the foundation for a dramatic expansion of maritime trade, the which can be anticipated, given the expected growth of the population of the Pacific-Indian Ocean Basins, in the coming century. At the same time, long-delayed water projects, like the regulation of rivers and flood control, must be realized.

Production of electricity should be central for the necessary production and distribution of energy, which should first occur in the main "corridors." To make possible, in all of Eurasia, an electricity consumption for households and industry on the level of the industrial states, there is a deficit of over 5,000 gigawatts, five times today's capacities.

It is important, that the governments of the nations of Eurasia, first come to agreement on a unified plan, since, only in this way, can the optimal development of the region be realized. If such a Eurasian Grand Design exists, then any partial realization in its construction, brings not only direct national benefit, but at the same time, is a step toward realizing the Grand Design to shape our world in the 21st century. As the infrastructure program sketched here represents the preconditions for economic and agricultural development, but is not immediately profitable, but is rather oriented toward the common well-being, the right to generate credit must be brought back under the control of sovereign governments. Through appropriate legislation, national banks must be able to generate credit lines for these projects, which must be oriented in their scope, to the requirements of productive workplaces and the workforces employed in these great projects. As these credits are related to future production, wealth is being created, and they are not inflationary. They are even anti-inflationary; on the one side, the unproductive costs of unemployment are eliminated, and, secondly, the real costs to the economy, due to the lack of infrastructure, are eliminated.

The national banks issue credit through regional banks, to the firms which work for the various projects. It can be historically documented, that the resulting tax revenues, in the western countries, have always been, ultimately, bigger than the credits issued in the first place.

As the realization of infrastructure projects of this magnitude—in China alone, 100,000 kilometers of new rail lines,

1 million kilometers of modern roads, and several thousand kilometers of new waterways are needed—will require all available industrial capacities of the participating nations, and, as new capacities have to be created, the different countries should work in a division of labor, and thereby balance existing three-way trade flows through so-called clearing-houses. A newly founded Eurasian Development Bank could take over this task.

This conference in Beijing is taking place in an extraordinarily important historic context. The strategic reality affecting every region, is the fact that the presently hegemonic financial system is in the end-phase, before its collapse. If this system, bankrupted through decades-long mistaken economic and financial policy, is not reorganized through an orderly bankruptcy procedure, and replaced by a new system, the entire planet is threatened with a new dark age, best compared to the collapse of civilization in the fourteenth century. The threatening global collapse, can be compared to the collapse of earlier dynasties.

Ultimately, any solution for the crisis, must include a central aspect: that the American President, as leader of the currently most influential nation, pursue this reorganization. He

must use the emergency powers of the Presidency, and put the U.S. Federal Reserve into bankruptcy receivership, and under the supervision of the U.S. Treasury. According to Paragraph 1 of the U.S. Constitution, the President can obtain the right from Congress to issue, in the tradition of the late President Franklin Roosevelt, several trillion dollars worth of credit for financing well-defined infrastructure projects to overcome economic depression. The administrations of George Washington and James Monroe are precedents for establishing a National Bank.

At the same time, the President must convene an emergency monetary policy meeting, of the principal nation-state powers, for the purpose of establishing a new international monetary system, based on stabilized parities of currencies, to the purpose of fostering a global revival and expansion of agricultural and industrial production, based upon capital-intensive, energy-intensive modes of investment, in scientific and technological progress.

The Renaissance ahead of us

These problems cannot be solved at this conference, but we can and must consider how the economic reconstruction

Tennenbaum presents LaRouche's economics

Schiller Institute representative Dr. Jonathan Tennenbaum, in his presentation to the international symposium, called for the creation of a system of infrastructure development corridors from the Atlantic to the Pacific. He stressed that in planning Eurasian land-bridge development going into the 21st century, we must discard "GNP" and related statistical methods which—especially given the huge speculative "bubble" in the world economy today—give a monstrously distorted picture of economic reality. Instead, we must use the criteria provided by the science of physical economy.

Tennenbaum presented the concept of "density functions," illustrating them by a comparison of the United States, West Germany, and Japan (before the present depression) in terms of per-capita and per-square-kilometer energy requirements. By concentrating on combined development of basic economic infrastructure within the 100-150 kilometer-wide corridors defined by the "Eurasian bridges," we obtain the relatively greatest rate of increase in the physical productivity of the Eurasian economy as a whole. The same criterion of "density functions"

applies also to the choice of technologies for infrastructure development. Tennenbaum stressed the importance of building chains of new, nuclear-powered industrial cities along the Eurasian bridges, emphasizing the role of the High Temperature Reactor (HTR) technology. We also need to develop high-density, automated freight transport systems based on magnetic levitation, he said.

Tennenbaum attacked the Thatcherite policies of indiscriminant privatization as "irresponsible and dangerous." The gigantic scale of infrastructure investments required today, can only be achieved through the use of "Hamiltonian" modes of productive credit-generation by sovereign nation-states. The fact is, that large-scale investments in basic infrastructure—with emphasis on increasing levels of technology—are the most profitable form of investment which exists for a national economy as a whole. Well-designed investments of this type will be paid back many times over, by the resulting expansion of the tax base. Multilateral trade agreements, with emphasis on the development and sharing of advanced technology, will play a crucial role in development of the Eurasian "infrastructure corridors," providing favorable conditions for tapping the capabilities of the military-industrial complex in the former U.S.S.R., for example. But to clear the way for this, we urgently require a reorganization of the presently bankrupt world monetary and financial system, Tennenbaum concluded.

should look, under the much more favorable conditions of a new financial system. If we look to the future optimistically, and begin from the assumption that the renaissance connected to the development of the New Silk Road will be successful, in the next 50 years, thousands of new cities, with 300,000 to 1 million people each, will have to be built. Many of these cities should be nuplexes, in which inherently safe HTR [high-temperature reactor] nuclear plants produce electricity and process heat for regional industry and agriculture.

As these cities are planned, completely new and conceptualized in their entirety, the whole infrastructure can be built underground, in modular form. City-building is not only oriented to potential expansion, but also so that the best traditions of the cultural diversity of Eurasia, can be expressed in their architecture. Many of these new cities should be "science cities," which serve multidisciplinary, fundamental research and teaching.

In the Renaissance ahead of us, the thinking that, through non-proliferation treaties, so-called "dual use technologies" will be kept from the majority of the world's people, will be an issue of the past. We can only positively create the future of the one human species, if we think at least as modernly, as Nicolaus of Cusa, the founder of natural science, thought in the fifteenth century. This great universal thinker was convinced that every scientific invention was so precious for all humanity, that all nations must have immediate access to it, so that no one's development would be held back. He proposed a "science pool," in which all discoveries should be collected for universal benefit. The new science cities in Eurasia could realize this ideal.

If we meet the historic challenge before us, then let us remember that growing markets and growing purchasing power for all, are in the interests of all involved, because the source of general wealth, is not the possession of raw materials and the right to "buy cheap, sell dear." The only source of wealth is the creative reason of the individual, which enables each to make new discoveries, and therefore to make scientific and technological progress. The resulting increase in productivity of the workforce is what creates wealth.

We have to decide, how we ourselves want to be regarded by future generations. Do we wish that they look upon us with contempt, because we did not leave behind anything but an "every man for himself" society, the manifestations of limitless personal greed, and a world in chaos? Or, do we want that our grandchildren and great-grandchildren, proudly and lovingly remember us, because in the face of humanity's crisis of existence, we brought together everything that universal history has brought about that is great and noble, to win out of it the inspiration for a new renaissance? Then, perhaps, our next generations will say about us: Yes, they were like the people of the Italian Renaissance and the Sung dynasty. Yes, perhaps they will even say, they even were a little better.

History of the new continental bridge

by Ma Hong

The following introduction to the book, A Study on the Strategic Significance of the New Euro-Asian Continental Bridge, was written by one of China's most famous economists.

An epoch-making choice

While the Northern Xinjiang Railway was under construction, I put forward a proposal in 1985 that the Northern Xinjiang Railway connect the New Euro-Asian Continental Bridge. At a symposium on economic development of the zones around the New Euro-Asian Continental Bridge, I predicted that, "This Bridge would not only be a railway for transportation, but also an economic belt that would have bright prospects, greatly promote commodities circulation, and converge and blend east-west economic development." The past ten years saw the realization of our long-cherished ideal, for a series of major events were recorded in the annals of the Euro-Asian Continental Bridge.

- On Sept. 12, 1990, our Northern Xinjiang Railway connected the Tuxi Railway of the former U.S.S.R., which marked completion of the 11 kilometer-long New Euro-Asian Continental Bridge. CPC General Secretary Jiang Zemin cut the ribbon at the opening ceremony.

- On Dec. 1, 1992, the New Euro-Asian Continental Bridge was opened to containerized transit traffic, marking the start of trial operations of the Euro-Asian Continental Bridge.

- During the 11 years from 1985 to 1996, our enormous investments were put in for renovation of railways in connection with the Euro-Asian Continental Bridge. The 2,000-plus kilometer-long Lanzhou-Xinjiang Railway was double-tracked and the 500 kilometer-long Baoji-Zhongwei Railway started operations. . . .

- In 1994, Premier Li Peng visited four Central Asian countries. During his visit, Premier Li Peng and leaders of the four countries reached a consensus of opinion with regard to connecting the New Euro-Asian Continental Bridge and constructing a modern Silk Road.

- With the Houma-Yueshan Railway completed on Nov. 20, 1994, a new transportation artery of the Rizhao-Xi'an Railway came into existence that runs parallel with the Longhai Railway. Thus, a railway artery in parallel with the eastern part of the New Euro-Asian Continental Bridge, with Rizhao and Lianyungang as terminuses, came into existence. On Dec. 26, 1994, the Houma-Yueshan Railway started trial operations.

- From Oct. 26 to Oct. 28, 1994, a meeting was held in