

## How China is building the Eurasian Land-Bridge

by Mary Burdman

We publish here excerpts from the presentations made by Chinese officials and economists to the conference on “Asia-Europe Economic and Trade Relations in the 21st Century and the Second Eurasian Bridge,” held in four Chinese cities from Oct. 27 to Nov. 1, as well as the speech by Schiller Institute president Helga Zepp-LaRouche to the keynote session of the conference in Beijing.

This conference, which took a group of foreign delegates on a vigorous and exacting tour to the great cities of Beijing and Nanjing, and the sea and rail ports of Lianyungang and Qinhuangdao (see *EIR*, Nov. 20, p. 50), was carried out in the spirit of one of the fundamental policies of economic construction in the People’s Republic of China: Always make inspections of actual conditions, so that you can make the correct policy decisions!

The actual conditions of the Second Eurasian Continental Bridge project in China had a deep impact on participants from both western and eastern Europe. The statements of the Chinese who received the foreign delegation, from the highest level and lower, emphasized the importance of this project to their overall strategy for consistent, stable development of the world’s largest nation in the coming century. The political and social “conditions” of the Land-Bridge project certainly include the nation’s cultural optimism and determination. The physical conditions are also impressive. China has many challenges to overcome: lack of infrastructure, an urgent need to develop water and land resources for its huge population, and so on. But, as we witnessed at the Lianyungang nuclear power site, and in the harbors of Lianyungang and Qinhuangdao, work is always going on, and plans are being made, for years and decades to come, on exactly how to build what China needs.

Also impressive, was the Chinese eagerness for expanding cooperation with other nations — but with the caution that,

given the problems of the international economy, this can only be done in a way to foster real, mutual economic benefit.

China has done more than any other nation to build the Second Eurasian Continental Bridge, as this four-city conference has proven. Only through such economic vigor and far-sightedness, within their own nations, can the rest of Eurasia—from Central Asia to Russia, to east and west Europe — stop economic deconstruction, and begin to rebuild.

---

Zhang Quan

---

## The Silk Road will gloriously reappear

*Zhang Quan is vice-president and general secretary of the China Association of Enterprises of Foreign Investment. This speech was delivered in Beijing on Oct. 27. Its full title is “The Ancient Silk Road Will Reappear Gloriously Through European-Asian Cooperation.”*

### 1. The situation of the Eurasian bridge in China.

Our government has always devoted much attention to the Eurasian bridge. . . . The leaders of the State Council convened a meeting on Jan. 14, 1984, to make a decision about the Eurasian bridge. There are two routes: One is from Dalian Harbor, China, via Chita, Russia to Moscow, Russia; and another is from Tianjing Harbor, China to Erlian, China and via to Ulan Bator, Mongolia to Moscow, Russia. These



*Helga Zepp-LaRouche speaks with reporters at the eastern terminal of the new Eurasian Land-Bridge in Lianyungang, China, October 1998. She headed a Schiller Institute delegation attending the conference on "Asia-Europe Economic and Trade Relations in the 21st Century and the Second Eurasian Bridge," held in four Chinese cities.*

developed rapidly after the meeting.

In autumn 1986, our country already considered realizing a route that was drafted in the 1950s from Dalian Harbor, China, to Urumqi, China, via Shihezi, China, to the Ala Mountain Pass. Then in autumn 1987, our government started to use a loan of 1.3 billion Swiss francs from the Soviet Union's government to build this railroad. In June 1990, the road was completed. On Oct. 12, 1990, the chairman of our government himself attended the celebration opening the track. This road is shorter by more than 3,000 kilometers to Rotterdam, Netherlands than the above two roads.

At present, the three roads work well, the amount of transportation increases every year, and they have already become main economic arteries. Especially the level of transportation from Lianyungang Harbor to Europe has progressively increased. Already since 1992, Japan and Korea have had an agreement for regular scheduled flights. Countries such as the U.S., Singapore, etc. have also joined. . . .

A project for the Eurasian bridge has already begun in the northeast and southeast of our country. The railway department has organized five regularly scheduled trains from Kunming to Chengdu to Xi'an, to the Ala Mountain Pass. These two areas' economies have been contacted with the Eurasian bridge.

For the cooperation of our country with other countries along the Eurasian bridge, our government decided to set up an institution to coordinate with the Eurasian bridge. The institution concentrates on joint transportation. China, Mongolia, and Russia—whose institutions have coordinated the

Eurasian bridge—have agreed to convene a meeting about transportation every year. On Aug. 23-30, 1998, a conference . . . was opened in Ulan Bator, where the Presidents of these three countries' related institutions, signed agreements about improving the capability of transportation and management of transit goods. A conference will be convened in Moscow next year.

At present, we also have many problems about the Eurasian bridge. Primary problems are how to improve the capability of transportation; the deep water problem of harbors; construction of harbors for dangerous goods and liquids. Concerning the opening of harbors, such measures as setting up bonded areas, export processing zones, facilities of trade zones, etc., in this area, the work of countries along the Eurasian bridge has not been carefully developed. For example, in customs supervision, receiving of goods, management of storage, accounting settlements, foreign exchange deals, and so on.

Important problems are also environmental protection, public order, and improving connections with other countries along the Eurasian bridges.

*2. The role of the Eurasian bridge is very clear, as seen in the actions of our neighboring countries.*

In Northeast Asia, a development area was sponsored and developed by UNIDO (UN Industrial Development Organization), taking the Tumen River area as the core including North Korea, Korea, Mongolia, Russia. It has begun to produce the desired result.

Our northwest neighboring countries, and five countries

of Middle [Central] Asia were very positive. During past years, they did a lot of work for improving construction. In 1993, a European Union cooperation conference was opened in Brussels. On Sept. 7-8, 1998, the Europe-Caucasus-Asia international transportation conference was convened in Baku, the capital of Azerbaijan, where 33 countries' representatives attended, all of them hoping to speed up the construction of the Eurasian bridge.

Southwest China and the Southeast Asian countries are very close. ASEAN (the Association of Southeast Asian Nations) has developed the Mekong River region over many years. ASEAN advanced an idea to construct a road from Singapore via Malaysia, Vietnam, Cambodia, Laos to China.

One thing needs to be pointed out: Two roads between China and Vietnam have already reopened in the past two years, one from Hanoi to the Friendship Pass in China; another is the narrow railway, built in 1904, from the south of Vietnam to Kunming, China. Both of them are the result of the Land-Bridge.

Judging from the development tendency, we should see if we can open other roads, for example, in the southeast from Bangkok, Thailand to Kunming, China, and in the northwest, besides the road of the Ala Mountain Pass, then

the role of the Eurasian bridge will be more developed.

### 3. The Eurasian bridge is the pioneer of economic development.

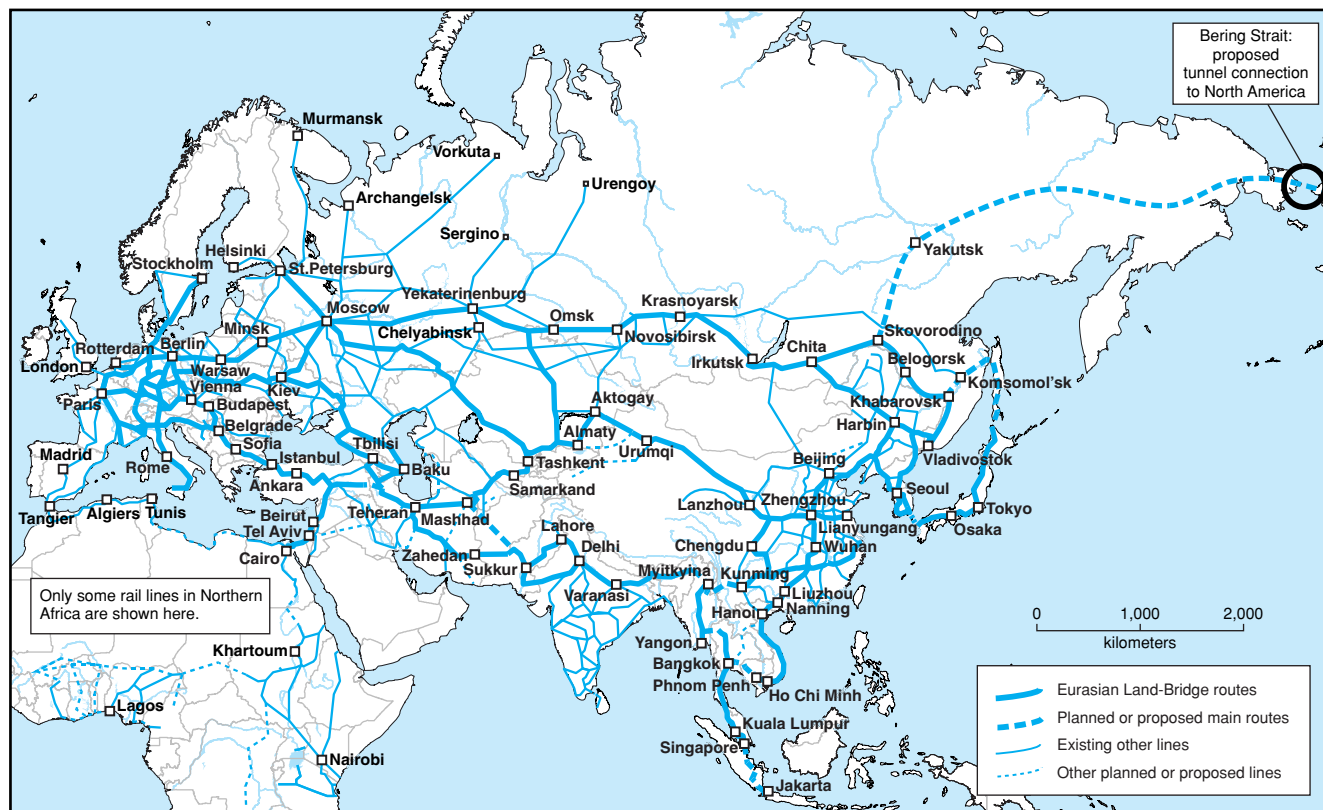
At present, the Eurasian bridge plays a leading role in the economic development of the countries along it. From Northeast Asia to Central Asia to Southeast Asia, natural resources exploitation and economic development mostly depend on the Eurasian bridge. It goes without saying that basic facilities connected with natural resources exploitation will be built, such as petroleum, gas, natural gas pipelines, petrochemical industry, etc. In Central Asia, Mongolia, and Russia, petroleum exporting to the East is also important as well as exporting to Europe.

In our country, the Eurasian bridge also plays a very important role. For example, in the northwest of our country, after the Eurasian bridge was completed, this area has been opened to the west and has become a favorable area. Transport, tourism, and many industries will be booming. As regards tourism resources, this road, going from Xi'an, China to Central Asia, has more than 200 cities along the way, and thousands of ancient cities and caves. It is a route of historic sites.

At the same time, Northwest China also is the area to

FIGURE 1

## Eurasia: main routes and selected secondary routes of the Eurasian Land-Bridge



develop high technology. . . . We know the situation of Northeast Asia and Southeast Asia, such as Japan's economic strength, the products of Russia, Asia's natural resources, etc. Also the Mekong River valley is a natural granary and an excellent market.

#### 4. *The bottlenecks of the Eurasian bridge.*

There are two aspects, one is the bottleneck of the Eurasian bridge, another is our common problem.

With the Eurasian bridge operating, the bottlenecks in the Eurasian bridge will emerge. This kind of problem needs to be settled step by step, according to the situation. For example, from Xi'an via Urumqi to the Ala Mountain Pass, the railroad needs double rails. This will be solved. The problem of the terminal facilities' construction: At present the construction of the Ala Mountain Pass needs more attention. The other problem is management: We hope the countries that are connected by the Eurasian bridge can progressively settle those problems as follows:

- i) Unify transportation policy, simplify customs processes.
- ii) ensure safety and rapidity of transportation.
- iii) the basic payment for goods passing customs should be low.
- iv) maintain public order, take measures against smuggling and drugs, etc.

The third bottleneck is funds. This problem should be settled according to the principle of raising money from central government, local government, private persons, privately owned industrial and commercial enterprises. . . . This is the internal means to raise money. Money resources from outside are more extensive. In recent years, international financial organizations invested US \$1,000 billion in Asia, and US \$400 billion of that was invested in our country. The World Bank is very satisfied with the results of those projects in our country. In 1999, the euro will be reality. In past years the investment from Europe has been not so much, [but] now a good opportunity is coming.

Financial protection needs more attention. We must refuse unsafe and speculative funds, such as equities, securities, and derivative financial products. [We must] refuse short-term funds that are not linked to projects and do not support long-term facilities; money should be used instead for basic infrastructure.

Our country's foreign debt is more than US \$100 billion, but 85% of it is fixed investment—basic infrastructure and foreign exchange investment. At the same time, in the context of the risky financial environment in Asia our country has kept its good reputation and continued to raise a lot of funds in this year.

The Eurasian bridge economy means European-Asian cooperation—depending on each other and developing in commune. The ancient Silk Road will be developed more widely than 2,000 years before. Europe, Asia, and the people of the whole world will get great benefits.

---

Helga Zepp-LaRouche

---

## Foreign policy in the Land-Bridge era

*Helga Zepp-LaRouche, president of the Schiller Institute, made the following presentation at the opening session of the International Conference on "Asia-Europe Economic and Trade Relations in the 21st Century and the Second Eurasian Land-Bridge," in Beijing, on Oct. 27. The title of her presentation was "Principles of Foreign Policy in the Coming Era of the New Eurasian Land-Bridge." Subheads have been added.*

While the present meltdown of the global financial system obviously represents enormous dangers for the existence of entire nations and their populations, the profound discrediting of the institutions associated with that system, represents, at the same time, a unique and unprecedented chance, to replace the unjust principles of the old political and economic order with new, just ones, which will allow the survival and well-being of all nations on this planet.

To review briefly the evolution of this question, of relations among nations since the end of the Second World War: It was U.S. President Franklin D. Roosevelt's firm intention, to end the system of British colonialism, a view he expressed in his famous dispute with British Prime Minister Winston Churchill at the Casablanca conference. However, Roosevelt's untimely death left a vacuum, so that the emerging postwar order was based on a variety of mixed assumptions. On the one side, the Bretton Woods system contained certain useful features, such as fixed parities among currencies, limited convertibility of some currencies, a gold reserve standard, etc., which allowed not only for the postwar economic miracles in Germany and Japan, but also for a period of growth and stability in the industrialized nations in general. On the other hand, the so-called developing countries were put into a situation of relative disadvantage from the beginning. Also, the assumptions of the Cold War, i.e., managing the world by playing the Soviet Union against the West, represented serious corruption. Despite these flaws, the system functioned relatively well, from the standpoint of allowing real growth in most parts of the world economy.

But after the 1962 Cuban missile crisis and the assassination of U.S. President Kennedy, the international financial oligarchy decided to inject certain axiomatic changes into the belief structure of the populations and institutions of the West. These consciously created paradigm-shifts, were orchestrated both in the cultural and moral realm, as well as, in a corresponding way, in the field of economic policy. In the first area,