

policies of the 1945-1958 interval. The U.S.A., the putatively leading economy of the world, is presently bankrupt, and under any continuation of the Bush Administration's present policies, hopelessly bankrupt. In the meantime, the movement toward cooperation within continental Eurasia, already represents the cornerstone for the kind of cooperation needed to rescue at least much of the world from the presently onrushing global financial, monetary, and trade crisis.

The Role of the U.S.A.

It would appear to many, that, since the present U.S. Bush Administration is hysterically opposed to any reforms along the lines I have outlined, the reforms I have indicated would be unrealistic ones. Behind that Administration's mask of mixed self-delusion and willful deception, the reality is quite different than many around the world have been misled to believe.

If you look at the widely circulated broadcast and other reports I have given since late November of this past year, the current Bush administration has followed the ill-fated course of policy-making I had warned it would, during the period prior to Jan. 20 of this current year. Already, as a result of Bush Administration blunders against which I had warned, the first phase of a political revolt against the new Administration has occurred, in the form of a Democratic Party regaining of control of the U.S. Senate.

Now, as the second quarter of 2001 has been a worse catastrophe than the first, and the third is on the way, the currently leading internal political issues of the U.S., energy, inflation, and health care, will be taken over by growing panic over the obvious onrush of a general economic depression.

With the presently accelerating collapse of the U.S. as the world's chief importer of last resort for Asia and other parts of the world as a whole, the world is near to that sense of global crisis, at which the need for a general, more or less planet-wide monetary and financial reform will be a leading theme of political discussion in many parts of the world, including the U.S.A. itself.

I shall not predict that the U.S.A. will be prepared to propose cooperation with the kinds of economic and related cooperation with which President Putin's efforts are associated. I merely say that under the likely changes in mood now developing within the U.S.A., the dumping of fanatics such as Zbigniew Brzezinski, in favor of U.S. cooperation with a Eurasian development perspective, ought to become U.S. policy. It should be seen as a policy well worth working to make a reality.

A growing number of influential U.S. circles, within the U.S. Democratic Party, and other circles, are now persuaded that my warnings and proposals are relevant. I am presently enjoying some significant political support for these efforts inside the U.S. and elsewhere. However, since, in politics, nothing good is ever guaranteed by fate, we must work all the harder for success.

The Eurasian Land-Bridge As a War-Avoidance Strategy

This is the presentation of Helga Zepp-LaRouche to the Russian State Duma's Economics Committee, on June 29, 2001 in Moscow.

Since the 1995 Halifax summit, but above all, since the Russian GKO crisis and the near-collapse of the world's biggest hedge fund, LTCM [Long Term Capital Management], the governments of the G7 have had recourse to only one measure: pumping unbelievable amounts of liquidity [into the markets]. The speculative bubble in the "New Economy," which was the direct result of this liquidity pumping, has burst, and inflation, which had earlier represented asset-price inflation, is now spreading as commodity-price inflation, with a tendency towards hyperinflation. At the same time, due to internal economic breakdown, the United States is losing its role as the importer of last resort, which has hit Asian exports particularly hard: The tendency towards depression is increasing worldwide: banking crises, mass layoffs, depression. What is threatened, is a breakdown of the global financial system, of a sort not witnessed since the Fourteenth Century.

Was this development foreseeable? The answer is, loud and clear: Yes!

When, in November 1989, after the fall of the Berlin Wall, signs of the dissolution of the Warsaw Pact and the Soviet Union emerged, Lyndon LaRouche warned that it would lead to a catastrophe, if one attempted then to replace the collapsing economic system of the East, with the equally bankrupt free-market system of the West. The paradigm shift, over the preceding 25 years, which, through a long series of neo-liberal steps, had undermined the foundations of the economy, in favor of speculation, would inevitably lead to the collapse of the system.

LaRouche proposed, instead, to go back to the principles of physical economy, in the tradition of Leibniz, List, Mendeleev, and Witte. He presented the grand vision of a program for the "Paris-Berlin-Vienna Productive Triangle," as the locomotive for infrastructural and economic integration of Eastern and Western Europe, and for the development of the East. This concept called for the integration of the no-longer-divided industrial centers lying within the Triangle—the size of Japan—and the most developed industrial capacities in the world represented there, through modern infrastructure, like the Transrapid [magnetic levitation railway]. Investments in frontier technologies were to enhance the productivity of labor power and productive plant facilities, as well as exports, especially in technology and capital-goods sectors.

From this “Productive Triangle,” so-called development corridors were to radiate out, from Berlin to Warsaw and St. Petersburg, via Prague and Kiev to Moscow, and through the Balkans to Istanbul. Integrated infrastructure projects, with high-speed railways, highways, and waterways, and computerized railway stations, were to constitute the transportation arteries of these 100 kilometer-wide corridors, along which the most modern technologies and industries could be brought into the East.

Instead of dealing an economic death blow to the allegedly obsolete industries of the Comecon, as the reformers of the IMF and shock therapy did, the industries of the East, though obsolete from a world-market standpoint, could, as valuable industries of the East, have been utilized, and could have played a meaningful role in the construction of the transportation arteries and networks; only then, after they had been “used up” in a certain sense, would they have been idled.

LaRouche’s warnings of the danger of the free-market economy, as well as his vision of the “Productive Triangle” as the motor of a reconstruction program for the East, and thereby the core of a global reconstruction program, were spread by myself and other members of the Schiller Institute to all leading circles in Eastern and Western Europe, beginning in January 1990, through numerous conferences, as well as to the broader public, through our publications. Had these programs been implemented at that time, they would have led to the biggest economic boom of the century.

But the great opportunity, to place East-West relations, for the first time in the Twentieth Century, on a completely new basis, of peace through development, was missed. Margaret Thatcher, François Mitterrand and George Bush [Sr.], chose the geopolitical option of excluding Russia as a potential competitor, from the world market, and reducing it to a raw-materials exporter. Bush proclaimed the “New World Order,” which, like globalization, turned out to be the expression of Anglo-American unilateralism.

In 1991, when the disintegration of the Soviet Union rendered necessary a new political and economic perspective, LaRouche proposed extending the “Productive Triangle” to the “Eurasian Land-Bridge,” which should run along three main corridors: “Corridor A,” the Trans-Siberian railway and the line of the ancient Silk Road; “Corridor B,” from China, via Central Asia and Eastern Europe; and “Corridor C,” from Indonesia, through India, Iran, and Turkey, into Western Europe.

Through an entire system of auxiliary corridors, the whole Eurasian continent was to be connected. These corridors were not supposed to be just transport connections, but infrastructure arteries, around which advanced technologies could be brought in, so as to no longer merely extract raw materials, but to process them on the spot, and in this way build up modern industries. So, for the first time, these landlocked areas of the vast Eurasian continent could enjoy the same geographical advantages that were previously the privilege only of territories with access to the oceans.

To service existing populations and the expected population growth, especially in the densely populated areas of Asia, approximately 1,000 cities were to be built along the corridors. Inherently safe nuclear reactor models, such as the High Temperature Reactor, were to be built to supply abundant energy to industry, agriculture, and cities. Between 1992 and today, the Schiller Institute presented the conception of the Eurasian Land-Bridge—including its extensions via the Bering Strait into the Americas, and via the Middle East into Africa—as a global reconstruction program for a just new world economic order, to literally thousands of conference and seminar audiences in all five continents.

A Worldwide Land-Bridge Movement

After the Beijing “International Symposium on the Development of the Regions along the New Eurasian Land-Bridge,” a conference which took place after two years of intense preparation on the suggestion of the Schiller Institute, and in which Dr. [Jonathan] Tennenbaum and myself participated as speakers, we escalated this organizing. We also, in the same time frame, organized a series of seminars with participants from the various cultures of Eurasia, to deepen the understanding of each other’s scientific, economic, philosophical, and cultural traditions—and where they are similar, to deepen the foundations for a dialogue among our cultures. I can proudly say, that we have created a worldwide movement for the Eurasian Land-Bridge!

Given the fact that I am a German citizen, I wish to address the issue also from a specific German point of view. On one level, it is self-evident that the development of Eurasia is in Germany’s fundamental self-interest. Because of the relative scarcity of raw materials, the German economy only functions if it concentrates on continuous progress in science and technology and their application in the productive process, and if Germany has expanding markets with ever more prosperous customers. Under the regime of the “free market” and “globalization,” Germany has lost many of its traditional markets, and, therefore, needs the Eurasian Land-Bridge perspective.

On a deeper level: We in Germany remember very well the connection between depression and war. In light of the threat of a global depression and the many already obvious dynamics, out of which new terrible wars could develop, it is useful to review the debate which took place in Germany during the world economic crises in the 1930s. The transcripts of a secret conference of the Friedrich List Society of Sept. 16-17, 1931, were first published in 1991. The subject of the conference was how to boost the economy under conditions of the simultaneity of a depression and a crisis of the financial system. Among the participants were Reichbank President Dr. Hans Luther, and about 30 leading bankers, industrialists, and economists. The keynote speaker was Dr. Wilhelm Lautenbach, an important economist and high official in the German Economics Ministry.

In his memorandum, he [Lautenbach] argued: “The natu-



*Lyndon LaRouche
at the Moscow
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ral course for overcoming an economic and financial emergency” is “not to limit economic activity, but to increase it. Under crisis conditions, the market, the sole regulator of the capitalist economy, does not provide any obvious positive directives.” In a depression and/or a financial collapse, there would exist the paradoxical situation, that “despite curtailed production, demand is less than supply, thus leading to the tendency to decrease production further.”

Neither budget cutting, which reduces public contracts and mass purchasing power even further, nor lowering the interest rates, nor tax cuts, can solve the problem, but rather, they aggravate it, argued Lautenbach.

The key to the solution is to use the “surplus of commodities, unused production capacities and unemployed labor. “The use of this largely unutilized latitude for production is the actual and most urgent task of economic policy, and it is simple to solve, in principle.” The state must “produce a new national economic demand,” but it must “represent a national investment for the economy. One should think of such tasks as . . . public or publicly supported works, which signify value added for the economy, and would have to be done anyway, under normal conditions”—for example, roads, highways, and railroads.

Lautenbach then argued that the initial boost of infrastructure and investment projects would lead to an upward juncture of the whole economy, and that the [increased] tax revenue of the rejuvenated economy would be larger than the initial credit lines given by the state.

Had the Lautenbach plan of 1931 been implemented, the economic and political conditions would have improved in such a way, that the National Socialists would have had no chance to come to power, and World War II could have been avoided.

The realization of the Eurasian Land-Bridge is, therefore, today the best war-avoidance policy. It also represents the necessary vision of hope for the populations, which deserve a better Twenty-First Century than was the Twentieth.

Webcast From Moscow

LaRouche Defines Russia’s Mission in Eurasia

by Paul Gallagher

Together with the Russian Duma’s leading economist, Dr. Sergei Glazyev, Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche spoke to the Russian press corps in Moscow June 28, on the prognosis of the current global economic collapse and the prospects for a “successful transformation” of the world economy. Their press conference, “The Economy of Russia Under Conditions of Destabilization of the World Financial System,” came at the start of a visit to Moscow which included presentations to the Russian Parliament. It was broadcast live over the Internet by www.internet-most.ru, and also included presentations by Dr. Jonathan Tennenbaum of the Schiller Institute, and well-known Russian economic forecasters S. Bachikov and D. Mityayev.

This notable event followed important diplomatic activity by Russian President Vladimir Putin, in expanding the Eurasian Shanghai Cooperation Organization, and in debating U.S.-Eurasian relations with President George W. Bush. Lyndon LaRouche’s remarks to the Moscow press stressed the importance of the Shanghai summit to his own “Eurasian Land-Bridge” economic reconstruction policy. He also emphasized the importance of the “dialogue of civilizations” initiative of President Khatami of Iran, in light of the fact that Russian relations with Iran have been made a hostile target by the Bush Administration.

Dr. Glazyev, the head of the economic committee of the Russian State Duma (lower house of Parliament), and the author of *Genocide*, a detailed indictment of the 1990s privatization-looting of Russia, made opening remarks on the global financial crisis and the policies which created it. He emphasized that nations must listen to LaRouche’s proposals for defense against the effects of the crash, and announced that these matters would be discussed at hearings in the Duma on the following day, June 29.

Russian reporters asked LaRouche about the sinking of the U.S. economy, the relation of currency values and energy prices, the role of the World Trade Organization (WTO) in Eurasia; and, about the recent wild attacks in the Murdoch press in Australia against LaRouche and his co-thinkers there. The question of currency values—specifically, the