

tions.

Now, in this century, we will try to develop the third land-bridge, the Afro-Asian Land-Bridge. This has not yet been developed, but we must prepare the research for this project. This must be more effective economically, than the two others. Siberia has huge areas which have very few people, and little infrastructure. This is also true for Central Asia, where there are vast unpopulated areas and deserts. There is little population or economic demand.

The third, Afro-Asian Land-Bridge, would go from Egypt to Hong Kong. From eastern China, with a very large population and booming economy, the whole Afro-Asian Land-Bridge would go through areas which are booming with people and life. This includes Vietnam, Myanmar, Bangladesh, India, Pakistan, Iran, Saudi Arabia, Iraq, and then Egypt in North Africa, and from there to the rest of Africa. This whole area has a huge and very dense population, and they need to improve their lives. The area also urgently needs infrastructure construction. Meeting the needs, to improve the lives of the population, is the energy of economic growth.

Population is real capital, which can be used to develop the economy. The density of the population is a big advantage: It means that every project benefits a concentrated population, and contributes to building the peoples' economy more efficiently.

The Strategic Triangle

We are discussing in this conference today, the "strategic triangle" Russia-China-India. As one of our colleagues from Russia has stated, there are good and growing economic and political relations between Russia and China, and there are projects which benefit both sides; there are also good and growing economic and political relations between Russia and India. But what about China and India? There is very little trade, and little economic relations. But what if we can cooperate to build the third, southern land-bridge, from Egypt to Hong Kong? There are just some hundreds of kilometers of railroad that need to be built, between India and China. We have built up a railroad from Hong Kong to Yunnan. From Yunnan to Laos can be built. South China has large industrial facilities. It has a lot of know-how for construction of railroads, especially in very rugged areas, which is very useful for this whole southern land-bridge region.

India has its own railroad net. But Myanmar, Laos, and northern Thailand have no railroads. If we can do our research to build these projects, we will build our cooperation on this basis. Then, we will have the basis to complete the third side of the triangle, China-India, for the benefit of many nations along this railroad.

In Europe, there is very good know-how and technology, and also large investment capacity. If the European Union could cooperate with China and India, to build the southern land-bridge, this would be very beneficial for both sides. This would not only solve the problem of China-India, but also solve the problems faced by the European countries.

Let me give an example. Yesterday, Dr. Glazyev¹ mentioned that China and Russia's entire trade is calculated in dollars, which means that we help to support the dollar. If we calculated our trade in deutschemarks, immediately this would support the deutschemark; if we calculated in Japanese yen, it would be the same. Who supports the American dollar? Our developing countries, our producers. We give the United States all of these basic goods, and then we get in return—paper! It is true.

Once I discussed this idea with an American professor, a very good friend. I said, that if China sold \$10 billion, in the U.S. money market, what would happen? It would devalue the U.S. dollar immediately. If China sells these dollars, who will follow? South Korea, Taiwan, Hong Kong, Singapore, all of these East Asian countries, because they all own dollars. If China sells, it would devalue the dollar, and if other countries sell, it would destroy the dollar. We cannot do that, because we hold such large numbers of dollars. So, this is a kind of contradiction: Whoever can solve it, will win the Nobel Prize.

As LaRouche mentioned, we need a new world financial order, a new world financial institution. Who will create this? Perhaps, the "strategic triangle"—perhaps we can set up an international, alternative credit system, not based on the dollar, not on the deutschemark. Anyone who wanted to join, can join and benefit. Anyone who wants to object, would not benefit. Money can only profit from the physical economy, and where is the important physical economy area? It is the strategic triangle.

Thank you.

Sujit Dutta

India and the Eurasian Development Perspective

Professor Sujit Dutta is a Senior Fellow at the Institute for Defence Studies and Analysis in New Delhi.

The Schiller Institute's ideas and the kind of conference you have held in the past two days, is clearly an important step in the global struggle over ideas, which is the most important in



1. Dr. Sergei Glazyev's speech was printed in last week's *EIR*. An interview with him appears in the *Economics* section of this week's issue.



The 1955 Bandung Conference in Indonesia, one of the crucial attempts at an economic development strategy linking Eurasia and Africa. Professor Dutta refers to the initiating role India has played in the past in that spirit, and which it could now play again.

the current stage of the international system.

It is now well-recognized that the world is at a turning point in the realm of political and economic ideas. It has been so since the end of the Cold War. Large structures and ideas which underpinned Cold War era institutions, and the politics and economics of that era, have died with the end of bipolarity, Soviet disintegration, and the decline of state socialism, on the one side, and the opening up of new states and political areas.

But also, in the capitalist domain, the old institutions are not working, and are no more suitable to the kind of international challenges which have emerged since the end of the Cold War. The efforts of classical economics, underpinned by “structural realism” and neo-liberal ideas in the international relations arena, are clearly not adequate to deal with the kind of cooperative ventures which the international system—as described at this conference—currently requires. The ideas, structures, and perceptions that shaped the post-1945 world order have struggled to cope with the radical and ongoing changes.

What we clearly need, is “globalization” of a different kind. We need global integration; we need dominant international ideas, that will link and make possible the kind of corridors and new institutional relations; but we need to move away from the current debate on globalization, to make that possible. It is not going to happen, unless there is a victory in the realm of new institutional thinking: In the concept and strategy of new ideas, that will link independent, national developmental strategies, with regional and global strategies.

The Struggle Over Ideas

I am extremely happy, that all of you are engaged in creating these new ideas. What is critically important, is the move

away from the dominance of Cold War ideas, towards a new international structure, conducive to the current era.

The Cold War-era ideas are increasingly inadequate to deal with the very different challenges that the world now faces: the emerging tensions in America’s relations with China; the huge economic uncertainties in the advanced capitalist economies of Japan, the United States, and Europe; the financial meltdowns that have hit many of the new industrial economies such as that in East Asia in 1997; the internal conflicts that are ravaging states such as Indonesia, Afghanistan, Pakistan, or parts of Africa; the rise of fundamentalist political movements; and the myriad challenges of economic reform facing the large developing economies—Russia, China, India, Mexico. This is a historical point from where the international system could take several directions, depending on the kind of political forces and ideas that emerge as the dominant vision of the era.

This struggle over ideas to reconceptualize and reconfigure the international system—and the political, economic, and security institutions that are critically important for its stability and well-being—has been a defining feature of the new era. While globalization, unipolarity or multipolarity, clash or cooperation of civilizations, end of history, Asian values or general human rights, etc., have been among the more prominent issues in this debate, the fundamental issue has been to find the principles that will ensure a peaceful, stable, secure, and increasingly prosperous global community of peoples and states.

The Role of India

India is in many ways at the center of this struggle for the shaping of the structures and dominant ideas of the emerging

global order. This is not normally understood in many countries. From the very beginning, the kind of ideas that the Schiller Institute is discussing and proposing, have had a strong resonance in India. They have been there since the 1950s, and the combination of a developmental strategy linked to Non-Alignment and castigation of the Cold War, meant that India has produced some of the very interesting ideas and movements internationally. The Group of 77, the struggle for a new international economic and political order: Many of these, were movements which were born in India, and had strong resonance through Africa, Latin America, and Asia.

These ideas did not succeed, because the global institutions and the major powers, did not back them. These ideas cannot come to fruition, without solid backing of Europe, Japan, and the United States, and other countries which dominate institutions.

However, the fact is that today, as these institutions face a crisis, there is a possibility that the ideas that are discussed here, can succeed. Therefore, what is absolutely important, is pragmatic notions of building this alternative model of globalization, on structural linkages, infrastructure, and new ideas of economic development.

The largest state, along with China, in terms of population, India has been organized by its post-independence nationalist leadership as a democratic, secular, federal republic. With its heterogeneous linguistic, caste, and religious composition, and the complex identity-formation of its people over 4,000 years, the notions of secular values, cooperation and coexistence among cultures, and rule of law, are crucial to its statehood and form the core of its Constitution.

India's worldview is therefore rooted in universal political values that are increasingly shaping a united Europe in particular.

For some 40 years after Independence, India followed an inward-oriented industrialization policy and a non-aligned foreign policy that abjured the power politics of the Cold War. This achieved great success. Like China, we started off from scratch—the British had built some things, but the country was left with a huge, extremely challenging economic situation. Levels of illiteracy and poverty were huge, infrastructure was poor, the educational system was poor. All that had to be developed.

In collaboration with the Soviet Union and some other European countries, and even with the United States in the agriculture sector, we built a very diversified and extensive economy over the past 50 years.

It is critical to understand, that this was a policy that enabled India to build a large industrial and scientific base covering all areas—steel, machine tools, nuclear energy, aerospace technology, chemicals and pharmaceuticals, metallurgy, telecommunications, shipbuilding, railways, automobiles, textiles, fertilizers, cement, computer software and hardware, electronics. Today, the world software industry heavily relies on India for its well-being, and India has been very badly hit by the crisis in the software industry.

International Involvement

Since the 1980s and especially from 1991, the inward-oriented strategy has been gradually given up, as India has sought to speed up its growth rate, enhance investments in infrastructure, and modernize its industrial, technological, educational, and agricultural sectors.

This is combined with a new international involvement in international affairs, made possible by the end of the Cold War. The last era of our international involvement, was largely focussed on moving away from the Cold War, and keeping co-existence. Now, it's possible to build new linkages with Europe, Japan, and the United States, which earlier had been prevented. In this new situation, Indian policymakers have been deeply divided over the issues of globalization, and what kinds of policies are exactly beneficial for maintaining rapid economic growth.

India has been the fastest growing economy outside East Asia through the past two decades. It grew at 5.5% in the 1980s and 6.5% through the 1990s. Unlike East Asia—which grew at very fast rates largely on the basis of globalization, linked to integration into the global economy, and foreign trade- and investment-led labor-intensive exports going to the U.S. market—India has not had that integration. Until 1990, India's economy was essentially internally led.

As we have opened up, we find that the world economy is also going through a critical stage. Therefore, it is of great significance that these new ideas coincide with India's search for a globalization model: a model of economic development in an increasingly integrated international system.

These ideas of physical economy, of the Eurasian corridors, and restructuring the international economic and financial institutions, are critically important from our perspective. We have made repeated efforts in international institutions, the IMF and so on, to come forward with alternative views, of keeping alive global cooperation, and keeping a different orientation from that normally supported by the IMF and World Bank.

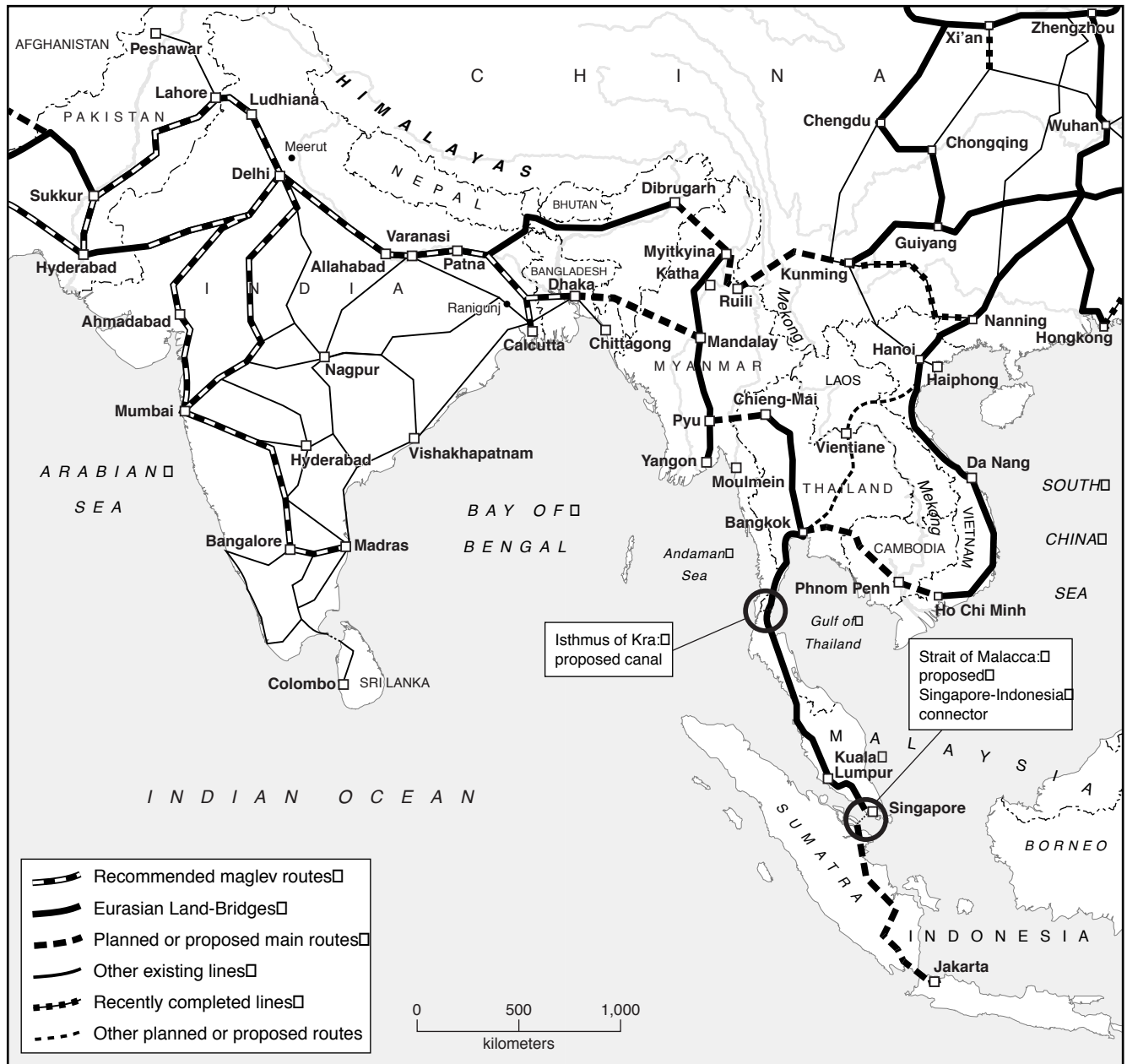
The national goal is to grow at 8-9% over the next 25 years, in order to eliminate poverty, create enough jobs for a growing labor force, reconstruct cities, and emerge as a global economic and political force. In fact, much of the world's growth in the coming decades will depend on the rapid modernization and expansion of the Indian and Chinese economies.

If India is to attain its economic and political goals, it needs to develop three key strategies. One, an internal strategy that will create large agro-industrial bases throughout the country, interlinked through a network of modern highways, railways and airways, and telecommunications. It will also need large investments in power, ports, and education.

India urgently needs an expansion of infrastructure, and the government is very concerned about this. We are rapidly expanding a network of national highways and railroads, and airports. This will integrate central India into the coastal and other zones.

FIGURE 10

Southern Eurasian Land-Bridge, with Emphasis on High-Speed Corridors



Source: *EIR* Special Report, "The Eurasian Land-Bridge: The 'New Silk Road'—Locomotive for Worldwide Economic Development," January 1997.

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Two, we will need an international strategy of technological, trade, and investment ties with the advanced techno-industrial states—Europe, the United States, Japan, and Russia—to accomplish modernization.

Three, India will be heavily energy-import dependent, especially on the Gulf and Central Asia. It is therefore concentrating on nuclear energy, as well as developing thermal, hydro, and solar power internally, and externally to develop

access through pipelines to natural gas from Iran, Central Asia, Bangladesh, Myanmar, and perhaps Indonesia. As we move towards an integrated, globally oriented strategy, the ideals of building energy and road and rail-network corridors, become extremely important for the success of the Indian economy. To interlink energy routes and energy supplies, with modern transportation corridors, this overall developmental approach is a very important one.

The Southeast Asia linkage, as well as the Iran linkage, are critically important. The kind of Eurasian rail network being proposed, has three dimensions. From our perspective, the southern Asian dimension is a vital area, to link Southeast Asia to India, and then to Iran, and then move on to Central Asia, Russia, and Europe. This will go through the bulk of the population of Asia.

The link to China is already a proposal: the Kunming to Calcutta route, to link eastern India to southern China, via Bangladesh, Myanmar, and Thailand. On the Indian side, this route already exists. We are building some of the routes in Myanmar. The Chinese have also built up to Yunnan, so it is possible, in the coming years, to complete this route.

The rapid development of India is increasingly tied to a stable, secure, and increasingly cooperative global and regional order. Creation of strategic transportation and energy corridors in Eurasia and Southern Asia are of immense significance to India. In terms of ideas, these at once address the issues of peace, stability, economic, and security cooperation across Eurasia.

However, current efforts to create these corridors face significant obstacles: political instability and conflict in regions such as the Talibanized Afghanistan-Pakistan belt, that threaten to spread into Central Asia; the lack of requisite backing from Europe and Japan; and absence of strong ties among key Asian states — India, China, Iran, Indonesia.

It is critically important in Asia, to build inter-state relations that move away from conflicts, and to expend efforts to build confidence and understanding. Nations must realize the necessity for such projects and such cooperation, in order for their own states to survive: that it is in their own self-interests, to build larger cooperative ventures and political stabilization in this area. There are big problems: Indonesia is going through a major crisis; Burma is not yet ready for many of these efforts; the Gulf area internally remains in tensions; the Pakistan-Afghanistan area has gone into absolutely backward civil war conditions; and fundamentalist Islamic trends are of deep concern, and are affecting India very badly.

Second, there is a need for Europe, Japan, and the United States to support this process. I am given to understand here, that the Maastricht process [in Europe] and others, really are a problem, in terms of providing the kind of state backing from Europe and elsewhere, which would make low-[interest] credit-driven new ideas to fund this kind of infrastructure construction. It is very important, that the U.S., Japan, and Europe, are strongly committed to develop these kinds of new ideas, and move away from the other globalization model.

This can only take place, if these ideas win out in European governments, and Germany, France, and other leading countries here, support and bring forward, new, innovative ideas for funding and financing and providing credits for these kinds of processes.

The second element, is the global cooperative policymaking changes, in the institutions of Europe, Japan, and the U.S.,

that can bring about this large-scale structural change in the globalization model.

Finally, there is an absolutely important demand, for the countries of Asia, for India and China, for Indonesia and Iran, and Russia and Japan, to work together to build a more stable, peaceful Asia. What is needed is much greater cooperation in terms of leadership exchanges, economic ideas, and cooperative stability and security models, to bring this about.

India is deeply interested in this. Its own proposals, for a united Asia, and an Asian relations conference, go back to 1946. The Afro-Asian movement was triggered in Delhi. These kinds of ideas have a great sympathy in India, and we expect, as we move into our own development in the coming years, to play an important role in bringing about, in cooperation with all of you, the successful change in strategy in globalization.

It is important, therefore, that key Eurasian countries focus on the political, economic, security, and technological factors that would make possible a unified developmental strategy. India has great interest in such an outcome, and would play an active role in bringing this about.

Thank you.

Prof. Dr. Mohammed Al-Sayed Selim

Egypt and the Project Of the 21st Century

Dr. Mohammed Al-Sayed Selim is the Director of the Center for Asian Studies in the Faculty of Economics and Political Science in Cairo University, Egypt. Subheads have been added.



It is very difficult to speak at this late hour of the session, after four elaborated, marvelous presentations. So, it's a tremendous challenge for me to keep you interested in my presentation.

I would like to start by thanking the Schiller Institute for inviting me to this seminar, especially Muriel [Mirak-Weissbach]. She has done a lot to make sure, that I am here. I met her for the first time in Turkmenistan in 1996. And this was the first time to hear about the notion of the "Eurasian Land-Bridge," although at that time I was the director of the