
Infrastructure

China proposes development corridor

by Mary Burdman

China "is set to develop areas along a railway line linking Europe and Asia," the official English-language *China Daily* reported Oct. 2. China's plans for future development of the regions along the "Eurasian Continental Bridge" were announced at a very critical period. The development policy, first made public in the official Xinhua news agency's *Outlook Weekly* overseas edition, was announced as the political and economic crisis in Russia came to a head. The policy was also made public in the wake of the visit of Indian Prime Minister Narasimha Rao to Beijing, and Rao's earlier visit to Iran, where he discussed other vital aspects of developing the Eurasian rail network with President Hashemi Rafsanjani (see *EIR*, Oct. 15, p. 15, and Oct. 1, 1993, p. 41).

The Eurasian bridge program makes clear that there are some in China's leadership who grasp what must be undertaken. The policy is presented as the means to "bridge the growing economic gulf between the developing coastal regions and the more backward hinterland, Hui Yongzheng, vice-minister of the State Science and Technology Commission" told *Outlook Weekly*. The rapidly growing gulf between the impoverished population of China's vast, undeveloped agricultural interior and the (relatively) more prosperous few working in the fringe of special zones and cities on the east coast, is one of the greatest problems China faces.

In late September, Agence France Presse said that an internal report by two members of the Academy of Social Sciences is circulating in China, warning that the nation could break apart like Yugoslavia unless the central government takes drastic steps to halt a rise in regionalism. The report, titled "Strengthening the Central Government's Leading Role Amid the Shift to a Market Economy," asserts that "a market economy does not mean an end to government interference." In mid-September, an article in the official *Economic Daily* warned that "the re-emergence of the economic gap between urban and rural areas will hinder industrial development in the next century," and that industry cannot possibly absorb the 150 million unemployed rural laborers now flooding into China's towns and cities. Chinese economists have warned that the number of unemployed peasants could reach 400 million by the year 2000.

While China is "keen" to continue the development of the coastal regions and the Yangtze valley, Hui said, he "fears the existing gap between coastal areas and the hinter-

land will widen if no measures are taken to reduce the disparity," the *China Daily* reported. At the same time, the interior "has an abundance of resources," including coal, oil, and ferrous and non-ferrous metals, which, if developed, would boost the local economies and, in turn, "bolster the development of the country as a whole."

The Eurasian bridge

Development of the railway could have effects far beyond China's borders. This railway, the "modern Silk Route" (see map) starts at Lianyungang harbor in Jiangsu province on the Yellow Sea, goes through central China to the Alataw pass from Xinjiang into Kazakhstan, and from Alma-Ata connects into the rail network of the former Soviet Union to western Europe, where it ends at Europe's biggest port, Rotterdam. The route, officially opened last June when the final kilometers of track between Urumqi in China and Alma-Ata were built—a project disrupted for decades by the Sino-Soviet split—is 11,000 kilometers long. It is known as the "modern Silk Route" after the great transcontinental route which joined Europe and Asia from ancient times.

The economic development of Eurasia, especially through railroads, has been the decisive political issue of the 20th century. Two world wars have already been fought to prevent it.

There are many advantages to developing the economy along the railway line, Hui said. One-fourth of China's population lives along its tracks, which extend for 4,000 kilometers through north-central China. Four of the 12 grain-production areas and 40% of China's cotton production are located in this region. Industry was also developed in this region—with the aid of the Soviet Union—during the first two decades of the People's Republic. There are already numerous state-owned enterprises in the area, and six high-tech industrial development zones, Hui said. The region has abundant mineral and non-metal resources, and salt, coal, oil, and hydroelectric power. There is also already a transport network in the region.

This development proposal, as outlined, reflects concepts similar to those proposed by Lyndon LaRouche and *EIR* for the "Productive Triangle" and Eurasian rail networks, especially the idea of "development corridors" along the rail lines where population is concentrated (see *EIR*, July 17, 1992, and Oct. 9, 1992).

The great problem facing the proposal, however, is the "lack of coordination among local governments along the railway. . . . Unless this problem is tackled, local merits add up to nothing," Hui stated. "The central government is aware of the problem and is formulating a development plan for the region," he said.

High-speed railways

The Eurasian land bridge proposal is by far the most advanced, but not the only proposal for economic development to come out of China recently. The great problem with

China's new Eurasian rail line, and other planned connections



most of these proposals is that they are far too limited for the real needs of China—a nation of 1.1 billion people, yet with one of the lowest per capita incomes in the world. China must make a technological jump to the *most advanced* technologies in every sector of the economy—nuclear energy, high-speed railways, and so forth. Any compromise with this concept will bring the nation rapidly to disaster. The much-debated Yangtze Three Gorges dam project, for example, although vital as a water-control project, could not even begin to supply China with the energy it needs to develop. The real debate for China is not whether to build this dam; it is

nuclear energy, or disaster.

The same dangerously limited thinking prevails with the rail system. Guo Hongtao, the chairman of China's Association of Traffic and Transport, said that the country must urgently build high-speed railways, the *China Daily* reported Sept. 14. The problem of China's railways has now reached a "critical level which is hampering the overall growth of the economy," he said. "In the 21st century, the comprehensive transport system should include highways, more air corridors, and large ports, with a high-speed rail system as its backbone," the *Daily* wrote. "Therefore, a construction pro-

gram is essential, especially in areas with lots of people and developed economies.”

Guo said that China’s current Gross National Product is no less than Japan’s was in the 1960s, when the idea of high-speed rail lines was first put forward.

However, Guo, like his colleagues in the industrialized and other developing nations, is talking about what amounts to 15- or 20-year-old technology, such as the ICE now being promoted by Germany, or France’s TGV. Yet, just one example of the enormity of China’s needs, is the fact that during the two-week New Year Festival last spring, 900 million people traveled around the country.

China’s Mid-Term and Long-Term Development Program, issued by the State Council in March, made the development of trains and tracks capable of 200 kilometers per hour a priority. There are three main lines which should be converted first, Guo said. They are from Beijing to Guangzhou (Canton), to Shanghai, and to Harbin in the far northeast. These lines pass through the major population centers and carry up to 40% of total passengers and freight. The new Beijing-Kowloon line is under construction, along an alternate north-south route, but it will “only ease the grim situation going north and south,” the *China Daily* wrote.

Guo suggested a combination of high- and medium-speed lines, and said that the ongoing work on the Guangzhou-Shenzhen “quasi-high-speed” lines was a “model” of how to bring in technical renovations while making “full use” of the present line.

The southern Silk Route

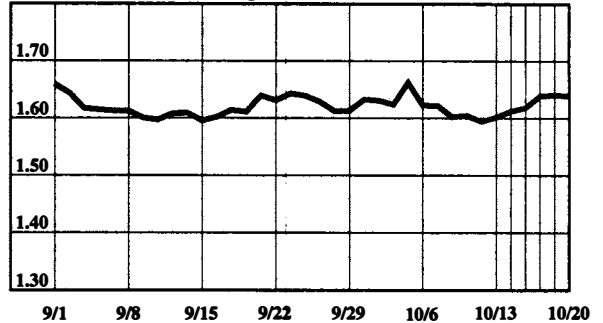
Other Eurasian rail projects are also “being actively pursued,” the *Hindustan Times* reported Sept. 26. India has agreed to send a group of rail experts to Iran, to discuss building the vital 300-kilometer rail link between the Iranian city of Mashhad and Ashkhabad in Turkmenistan (see *EIR*, Oct. 8, p. 57). Iranian President Rafsanjani has indicated that Iran could become the link between Europe and Asia with the completion of these rail projects. During the week of Oct. 11, Rafsanjani, accompanied by Transport Minister Akbar Torkan and other ministers, visited the Central Asian republics of Turkmenistan, Uzbekistan, Kyrgyzstan, and Kazakhstan.

To promote closer cooperation among Asian nations, the plans included also reviving the “southern Silk Route,” linking China and India with Myanmar (Burma), the *Hindustan Times* reported. Discussion is ongoing about completing “missing” rail links between Kunming in southwest China and Myitkyina in Myanmar, with Dibrugarh in Assam, India, to Bangladesh. China has already built a 50-ton rail bridge linking Ruili in China with Maoschweli in Myanmar, while Bangladesh has “taken up” the ambitious Jamuna bridge project. This road and rail bridge, to be begun next year, will be the first over the huge Jamuna (Brahmaputra) River, linking north and south Bengal.

Currency Rates

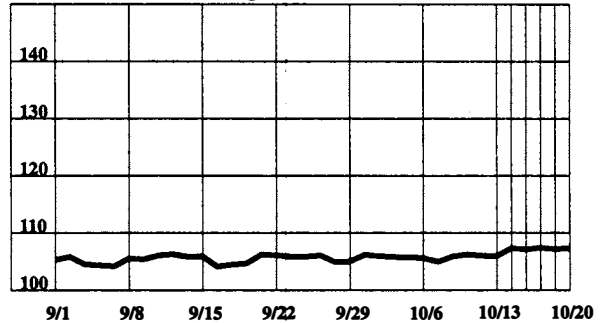
The dollar in deutschemarks

New York late afternoon fixing



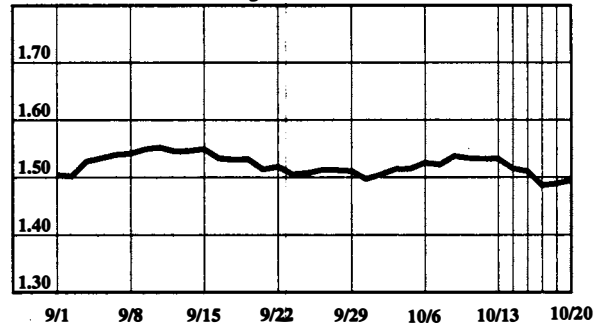
The dollar in yen

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

