
I. Helga Zepp-LaRouche in China

ONLY A BYSTANDER?

Once the United States Joins the Belt and Road Initiative, a New Paradigm for Mankind Can Begin

by Helga Zepp-LaRouche, Founder and President of the German Schiller Institute

May 29—China Investment Magazine, *supervised by China's National Development and Reform Commission*, carried this article by Helga Zepp-LaRouche in its May issue. The article was distributed both in Chinese and in English to every participant in the May 14-15 Belt and Road Forum for International Cooperation in Beijing. The article has been edited.

While initially almost all U.S. think-tanks were negative concerning China's Belt and Road Initiative (BRI), or simply refused even to take note of it, there has recently been a shift. Except for the hardcore neocon think-tanks, several now have started to report on the tremendous business opportunities the New Silk Road project would offer to U.S. enterprises. This has been

especially true since the very successful summit, despite difficult circumstances, between President Xi Jinping and President Trump in Mar-a-Lago, Florida.

The most obvious of many areas of such cooperation would of course be the link between the Belt and Road Initiative and the planned \$1 trillion infrastructure investment President Trump promised in his election campaign, which is supposed to be presented in May. There are several roadblocks to be overcome for this to happen.

The infrastructure requirements of the United States are enormous, due to decades-long non-investment by the previous administrations. Except for those who have actually been to China, most Americans have no idea how far behind China is U.S. infrastructural develop-



Beijing-Shanghai High-Speed Railway, shown in Beijing.

www.hebei.com.cn



Wikipedia

A large Amtrak and Metro coach yard in Chicago, IL. About 25 percent of all rail traffic in the United States travels through the Chicago area.

ment is. The average speed of the Washington-Boston 736 km Acela “high-speed” line is only 105 km/h, with only very short segments at 145 km/h. This is by no means high speed, compared to the approximately 130,000 kilometers of high-speed rail in China, which amounts to over 50 times as much! U.S. roads are in terribly dangerous condition, and so are the bridges, and sanitation systems—but their use is still expensive. For a trip between Washington and New York, one has to pay the substantial amount of \$115 in tolls and gas per car.

The American Society of Civil Engineers, at a recent conference, released the estimate that current U.S. infrastructure investment requirements are actually \$4.5 trillion. There is no way that the financing of either of these amounts will come from the private equity market. Representatives of this sector in recent discussions with President Trump, put forward prohibitive conditions, such as an 11-12% return per annum, and a full return of the capital invested within ten years. The idea that the infrastructure should be financed by a toll system is also problematic. Even if that might barely work in some densely populated areas, it would certainly fail in thinly inhabited areas. But the very idea that there should be an immediate direct return on infrastructure investment, shows complete ignorance of the role infrastructure plays in the general economy.

The quality and density of infrastructure is a necessary precondition for the productivity of an economy as

a whole. A modern economy requires that approximately 50% of its total expenditures should be designated to be used for the expansion and modernization of infrastructure, since the life expectancy of infrastructure’s various categories is between 20 and 50 years. A well planned infrastructure platform is an integrated system of high-speed rail lines, waterways, highways, energy production and distribution, and communications, as well as so-called soft infrastructure such as health and education systems. The higher the technological development and productivity of an economic space becomes, the more im-

portant the speed and efficiency of the transport and density of infrastructure in general will need to be, since all the various levels of production into semi-finished and finished goods work together like a complicated machine, where each part has a role for a harmonious function.

Thus, the return on infrastructure investment is actually measured by the increase of the productivity of the entire economy. Therefore the financing can not be left to the private investor, but it must be the responsibility of the state, which is devoted to the common good of the national economy.

The Potential of U.S.-China Cooperation

If President Trump were to simply request of Congress that it fund the infrastructure program through the Federal budget, he would run into the same opposition from the Democrats and part of the GOP that has already prevented the repeal of Obamacare. And if China and other foreign investors were simply to invest by means of the private equity market—provided that were allowed—these investments would potentially be exposed to the fluctuations of the markets.

Because of decades-long policies of outsourcing to cheap labor countries, the U.S. manufacturing sector presently lacks a complete upstream and downstream industry chain, which is another impediment. China, on the other hand, has such a complete upstream and



Xinhua

China Roads and Bridges Corporation demonstrates new technology for laying track at the standard gauge railway project in Kenya, Oct. 29, 2015.

downstream industry chain, and it also has vast experience in the building of modern infrastructure systems, not only from its experience in China itself, but also from having built such systems in other countries.

China could therefore not only help those cities with the greatest transportation needs, such as New York, Los Angeles, Boston, Chicago, San Francisco, and Washington, D.C., but it could also help to replicate what China is doing domestically, namely connecting all major cities with high-speed rail systems.

For regions like the one between New York, New Jersey, and Philadelphia, for example, an integrated infrastructure system like the system planned for “Integrated Transport Development” of the Beijing-Tianjin-Hebei region, would make a lot of sense, since people are losing many hours every day commuting back and forth between their living quarters and work. While it takes only five hours to travel the distance of 800 miles from Beijing to Shanghai at an average speed of 185 mph (298 km/h), it takes 19 hours from New York City to Chicago, about the same distance!

The United States would also ben-

efit greatly from the construction of entirely new cities, which could be located in the very thinly populated areas in the central states of the United States. They could be science cities, such as education and research centers, or they could be located near other, much needed large infrastructure projects, such as water management projects for the drought-endangered regions of the Southwest. One such project, which has been on the shelf since the Kennedy Administration, is the North American Water and Power Alliance, NAWAPA, which has recently been upgraded for [the 21st Century](#).

On the other hand, such an upgraded U.S. economy could also export into the expanding Chinese

market. The Chinese middle class—of approximately 900 million people—is enjoying a rapidly increasing buying power, made possible by the structural reforms implemented by the Chinese government. In 2016, the bilateral trade volume between the United States and China was already \$519.6 billion, and bilateral investment grew to \$170 billion in the same year. Over the last decade, U.S. exports to China grew 11%, and Chinese investments in the United States grew 5.6%. The growth potential for all of these categories is enormous,



Xinhua/Liang Xu

Photo taken on July 31, 2015 shows the last 500 meters of ballastless track of Foshan-Zhaoqing intercity rail line, in south China's Guangdong Province.



A diagram of the proposed World Land-Bridge reaching from the southern tip of South America in Chile and Argentina, going up through Central and North America, and connecting to the Eurasian transport systems via a tunnel under the Bering Strait.

if the two complementary economies of the United States and China were to link up in this way.

Such United States-China cooperation would naturally not be limited to bilateral exchanges, but given the vast requirements for infrastructure, agriculture, and industrial development in the world, joint ventures almost anywhere in the world would provide a “win-win” perspective for the United States, China, and the third party country. Given the huge potential of the Belt and Road Initiative to develop into the [World Land-Bridge](#) proposed by the Schiller Institute in 2014, in the not so distant future a high-speed rail system could be built from the southern tip of South America in Chile and Argentina, all the way up through Central and North America, and connect to the Eurasian transport systems via a tunnel under the Bering Strait. This would provide the gateway for the United States to join the newly emerging Pacific-centered world. This would require vastly improving and expanding the Alaskan railroad corridors through Canada, and connecting that with a new rail system in the United States.

The Roosevelt Precedent

Such a perspective of approximately 40,000 miles of modern electrified rail, about half of which should be high-speed rail systems, would also mean an enormous investment in industrial production to supply the necessary goods and materials, as well as the training and education of the skilled labor, needed to accomplish

such a huge task. Especially for the training of the youth, one can go back to the experience of Franklin Roosevelt’s Civilian Conservation Corps—the CCC program—which contributed significantly to leading the United States out of the Depression in the ’30s. Roosevelt called the CCC “the greatest peacetime movement this country has ever seen.” It was created to address the dire lack of education and skills of the youth, a condition which in today’s America takes the form of a very high level of drug addiction and drug-related crimes.

At the summit between President Trump and President Xi Jinping, they decided to set up four permanent dialogues, one of them devoted to economic issues. This group of experts could start to explore the project of the United States joining the BRI immediately.

The most important aspect of the concept of the United States joining with the Belt and Road Initiative, however, would be to inspire the whole population with hope for the future, a better future for generations to come—something which has been lost in the last five decades.

It would also demonstrate that President Trump’s promise to “make America great again,” does not contradict the interests of other countries, but that such win-win cooperation would move the entire world into a new era of human civilization. If the two largest economies of the world work together in this way, there will not be any problem on the planet which can not be solved.

If one studies the economic theory behind the tremendous success of the Chinese economic miracle of the last 30 years, one will find out that current Chinese economic policies, basing themselves on the education of its citizens, are very much in coherence with the Confucian principle of lifelong learning and innovation, and are actually very close to the economic principles of the American System of economy, as it was developed and implemented by Alexander Hamilton, John Quincy Adams, Henry Clay, Henry C. Carey, and Abraham Lincoln. All of these men understood that the



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President Donald Trump hosts China President Xi Jinping at his Mar-a-Lago estate on April 6.

most important source of wealth of a country is the development of the creative powers of its own population. And therefore, they designed a system of economy that furthered exactly that, in order to catalyze the greatest rate of scientific and technological progress and innovation.

It is also fascinating that the real spiritual father of the American Republic, Benjamin Franklin, was to-

tally excited and inspired by the writings of Confucius, from whom he took the conviction that the moral ennoblement of the individual was the absolute key for the improvement of society. Franklin based his own system of moral teaching on Confucius, which was decisive for the spirit of the founding of America. A very similar intellectual closeness existed between President Lincoln and the founding father of China.

The collaboration with the New Silk Road should therefore also have a cultural dimension, and exactly like the ancient Silk Road, should lead to an exchange of art and philosophy. It should do so to bring forward the best traditions and highest expression of humanity of each participating country, and in doing so, people will discover the unexpected beauty of the other cultures, and this knowledge will lead to admiration and will open new horizons. The epoch of a community of a shared future is within reach. If President Trump and President Xi Jinping join hands for this collaboration, both of them will have a place in history for having led Mankind to its true destiny.

The New Silk Road Becomes the World Land-Bridge

The BRICS countries have a strategy to prevent war and economic catastrophe. It's time for the rest of the world to join!

This 374-page report is a road-map to the New World Economic Order that Lyndon and Helga LaRouche have championed for over 20 years.

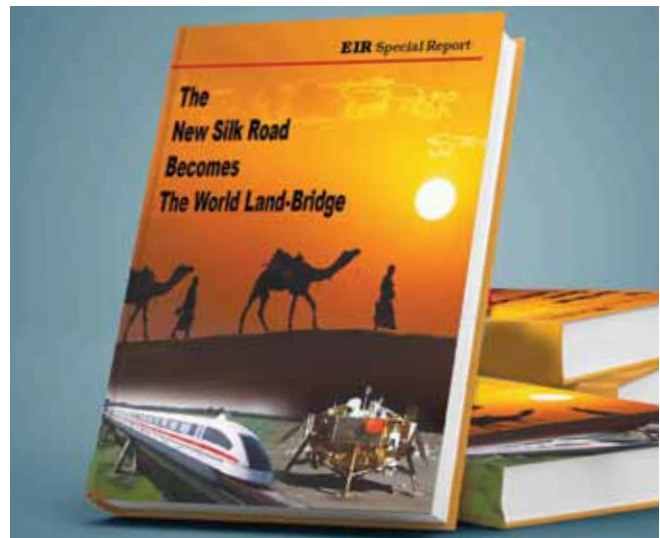
Includes:

Introduction by Helga Zepp-LaRouche, "The New Silk Road Leads to the Future of Mankind!"

The metrics of progress, with emphasis on the scientific principles required for survival of mankind: nuclear power and desalination; the fusion power economy; solving the water crisis.

The three keystone nations: China, the core nation of the New Silk Road; Russia's mission in North Central Eurasia and the Arctic; India prepares to take on its legacy of leadership.

Other regions: The potential contributions of Southwest, Central, and Southeast Asia, Australia, Europe, and Africa.



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