

their ministries will likely merge.) Papers about the new program are posted on the Ministry of Transport website, among them a document titled “The Formation and Development of International Transport Corridors (ITC) on the Territory of Russia,” which details the east-west and north-south Eurasian corridors.

The “ITC” document has glimmers of a true “corridor” conception—as a zone of concentrated high-technology investment, which drives an entire economy. “The results of the creation and development of ITC on the territory of the Russian Federation,” write the Ministry of Transport experts, “go beyond the framework of solving just transportation problems. They will exert a positive influence not only on the performance of the national transport system, but also on macroeconomic indicators, due to the multiplier effect of the implementation of these programmatic measures.”

Yet, the very same document makes obeisance to the failed dogmas of globalization.

ITC development requires 450 billion rubles of investment (\$15 billion), according to Frank. In drafting plans for railway reform, as in the energy sector, the Russian government walks through a minefield of schemes for deregulation and privatization. Some of them threaten to expose segments of the infrastructure to asset-stripping through privatization, in the name of “investment,” or to put users at the mercy of financial sharks who come to control infrastructure systems. On May 19, the government approved a compromise plan for break-up and privatization of the United Energy Systems (UES) electricity giant, albeit with a three-year delay before implementation, and with assurances that the transmission and operating functions will remain under a state-owned company. A similar process is under way for the railroads.

Just now, however, UES executive and privatization proponent Anatoli Chubais may be about to make a fool of himself and bring home to Russia a devastating lesson on the perils of privatization. Visiting the United States to court investors in UES’s soon-to-be-spun-off daughter companies, Chubais will meet with Vice President Richard Cheney, and then proceed to “get to know the liberal reforms in U.S. electricity markets,” which UES maintains have been a smashing success in 20 states!

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## Chronology

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# LaRouche’s ‘Land-Bridge’ Strategies in Russia

**1989-1990.** As the Berlin Wall came down, Lyndon LaRouche proposed crash development of high-speed rail transport in the area framed by Paris, Berlin, and Vienna. This “Productive Triangle,” the heart of Western Europe since the

time of Charlemagne, represents the greatest energy flux density in industry and concentration of skilled manpower, on the planet. Within a few months of the border’s opening, Helga Zepp-LaRouche’s Schiller Institute in Europe distributed over a million pieces of literature on the Productive Triangle idea, as a driver for real economic recovery worldwide. The program, with its maps of the “galactic spiral arms” of the triangle (**Figure 1**), circulated in nearly a dozen languages, including German, Russian, Polish, Czech, Hungarian, and Romanian, by the end of 1990.

**March 1991.** The “Berlin Declaration” was adopted by the Schiller Institute’s conference, “Infrastructure for a Free Europe,” attended by over 100 economists and political activists from 17 countries. It appealed to “the governments of Eastern and Western Europe, to make the “Productive Triangle” the centerpiece of their government policy.” The conference participants and supporters circulated the policy initiative over the following months. By the Schiller Institute’s second Berlin conference in November 1991, some 400 participants, now from over 30 countries including the republics of the Soviet Union (then breaking up), deliberated on “ ‘The Productive Triangle’: Cornerstone of an All-Eurasian Program of Infrastructure Development.”

**October 1991.** At the First All-European Conference on Transport, held in Prague, transport ministers from sixteen nations resolved on the need for a common European infrastructure network. Schiller Institute representatives present distributed the Productive Triangle program and discussed LaRouche’s concept of energy-intensive, technology-intensive corridor development.

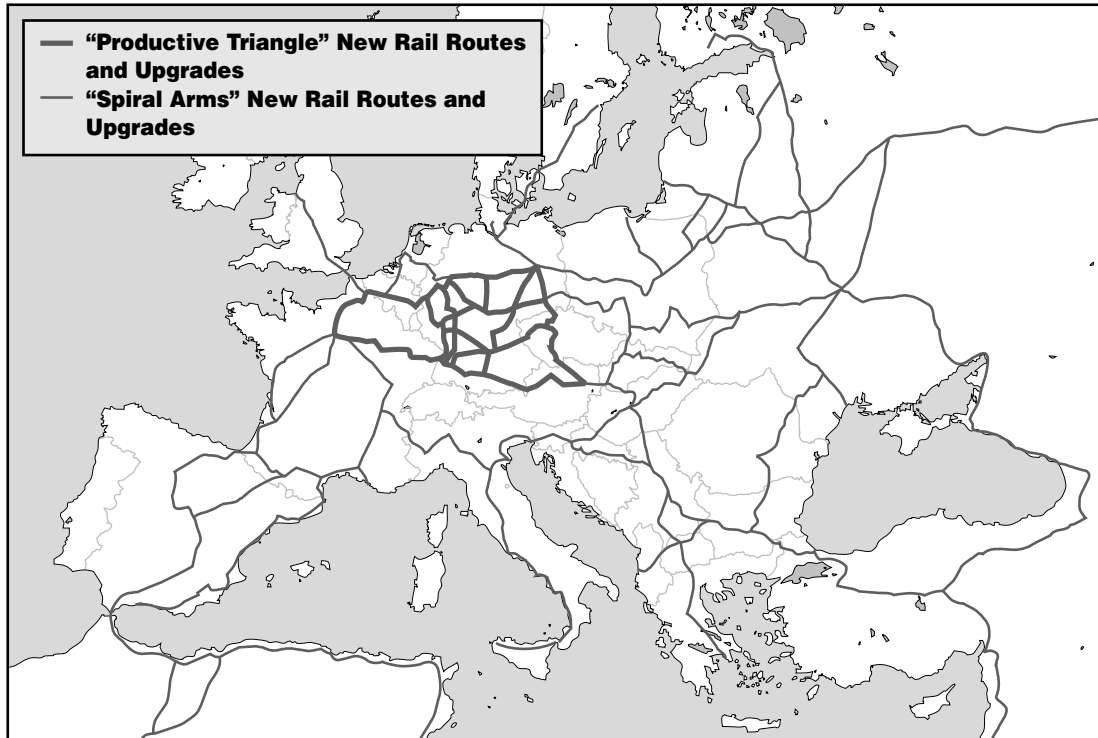
**1992.** The Schiller Institute elaborated the “spiral arms” of the Productive Triangle, as a network of transcontinental Eurasian development corridors (**Figure 3**). The concept soon resonated in China, where attention to the potential for development along the new Eurasian Land-Bridge began to intensify, after the link-up of China’s rail system to the Soviet system was made at the Alatau Pass in 1990, becoming operational in 1992.

**Winter 1993-1994.** The Transport Infrastructure Committee of the European Union, under Jacques Delors, proposed the “Delors Plan” for extending Western European rail lines into Eastern Europe. At its heart was the completion of the so-called Trans-European Network (TEN). The Delors proposal aimed to expand existing national high-speed rail projects, such as the French TGV and Germany’s ICE, into the most modern rail grid in the world: “The establishment of networks of the highest quality throughout the whole Community and beyond its frontiers is a priority task. The potential to create jobs is substantial, both directly by initiating the large-scale projects, and through the beneficial effects in the long-term on production conditions in Europe.” The Delors Plan map closely mirrored LaRouche’s Productive Triangle proposal, but omitted the war-torn Balkans.

**March 1994.** The Second All-European Conference on Transport, held on the island of Crete, adopted the perspective

FIGURE 2

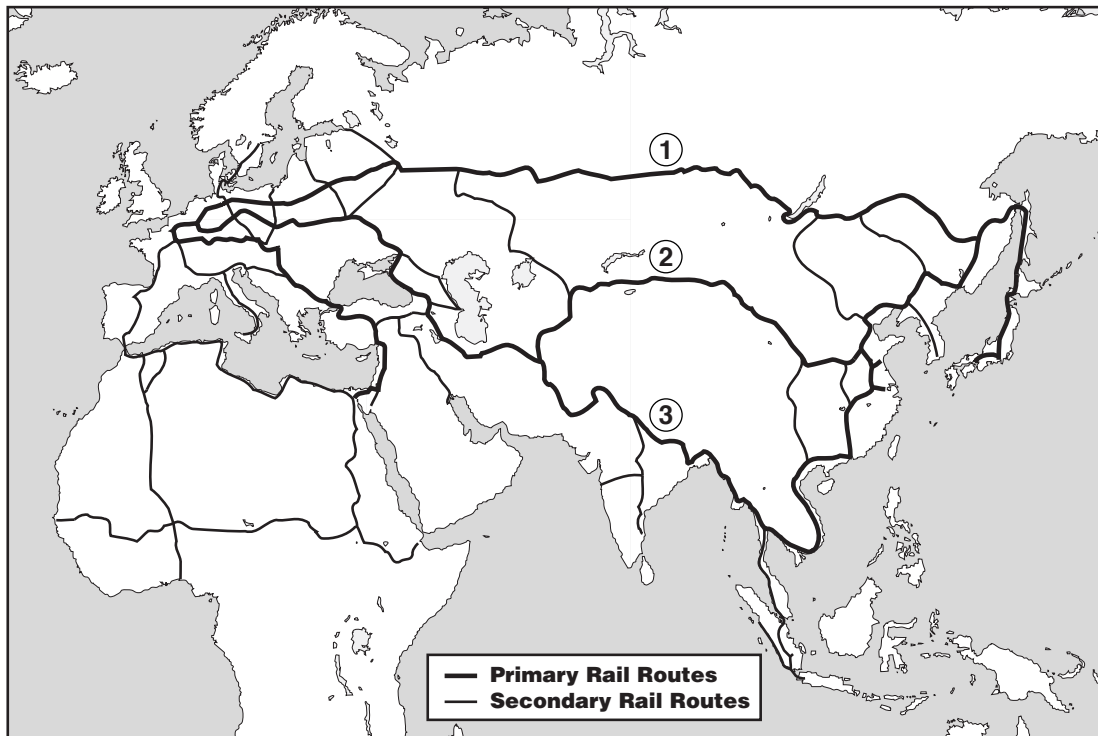
**1989: LaRouche's Proposed European 'Productive Triangle' Rail Development**



*The “Paris-Berlin-Vienna Productive Triangle” concept, put forward by Lyndon LaRouche, has “spiral arms” — development corridors reaching into Eastern Europe, Southwest Asia, and Africa. The Schiller Institute circulated this and several other maps of the Productive Triangle, beginning in 1990.*

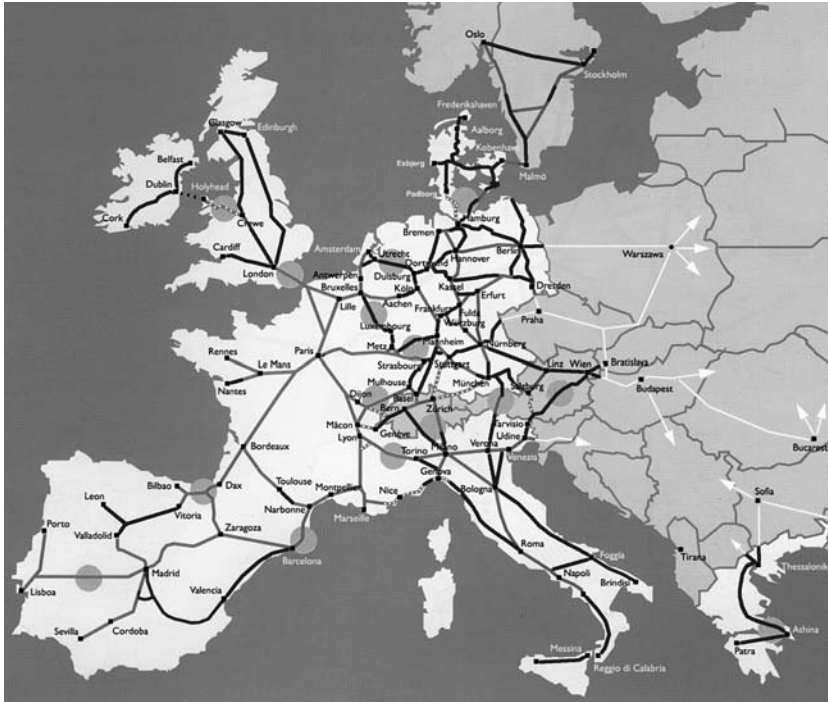
FIGURE 3

**1992: Schiller Institute Eurasian Rail Network Plan**



*This map conceptualized the spiral arms of the Productive Triangle, as three great infrastructure development corridors across Eurasia.*

FIGURE 4  
**1994: European Union Projects**



*This map of 14 EU projects includes the scheme for ten transport corridors, adopted at the March 1994 Pan-European Conference on Transport, held in Crete. Three of the corridors reach into Eastern Europe, as proposed during Winter 1993-94 in the “Delors Plan” of the Transport Infrastructure Commission of the European Union.*

FIGURE 5  
**1996: Schiller Institute and EIR Map, ‘The Eurasian Land-Bridge Network’**



*EIR’s illustration of the Eurasian development corridors as the sinews of a 21st-Century economic miracle, was circulated worldwide. Here is how it appeared in the Russian newspaper Nezavisimaya Gazeta in 1998, illustrating Academician Sergei Rogov’s article, “Contours of a New Russian Strategy: Only its central position on the geoeconomic map of Eurasia can save the country.”*

## LaRouche Analysis Presented At Seminar in the Kremlin

On May 15, LaRouche representative Dr. Jonathan Tennenbaum addressed an exclusive seminar on the global financial crisis, held in the Diplomatic Chamber of the Kremlin Palace in Moscow, and attended by approximately 150 representatives of the Russian government, business and financial circles, and press. The privately organized seminar also heard presentations by experts from a number of leading Russian think-tanks, on financial and economic developments in the United States and globally.

Tennenbaum reported on the May 4-6 international conference of the Schiller Institute in Bad Schwalbach, Germany; Lyndon LaRouche's keynote on the global strategic situation, (requested by many at the Kremlin event); LaRouche's characterization of the Bush Administration; and his conception of the necessary alternative to a threatened "New Dark Age," including the special role and mission of Russia. Tennenbaum described the strategically significant U.S. political war shaping up over the issue of the "common good," as seen in the battles over Washington's D.C. General Hospital and the California energy crisis.

The perspective of Eurasian transport corridor-centered development was taken up by several of the Russian speakers. A representative of the Russian Foreign Ministry's Diplomatic Academy stressed a strategic partnership

between Russia and Germany, and proposed that a special economic development commission be set up within the Shanghai Five group—Russia, China, Kazakstan, Kyrgyzstan, and Tajikistan, with European countries invited to participate. The future role of the euro currency, and potentially even of a gold-based Chinese yuan, as alternative reserve currencies in the context of a threatened crash of the dollar, was discussed by several Russian speakers, including an expert from the Central Mathematical Economics Institute. It was indicated that Russian investors had already begun a quiet "diversification" out of the dollar, into other currencies as well as "hard" physical assets. (A large part of the Russian population's savings are currently held in dollars.)

In a follow-on discussion, Tennenbaum emphasized that mere currency arrangements could provide no security from a chaotic disintegration of the entire world economy. Rather, any solution must start from the principle of the common good, and a policy for large-scale physical-economic development. The emergence of an alternative to the collapse, centered on Eurasian development corridors, could provide the context for sane forces in the United States to come to the fore, bringing the United States into partnership with such a development perspective.

The Malaysian Ambassador to Russia also addressed the seminar, speaking of his country's experience in adopting capital controls and reasserting national economic sovereignty against the dictates of the International Monetary Fund. He presented a new Russian translation of a book by Prime Minister Mahathir bin Mohamad on the subject.

of building ten Pan-European Networks—the "Crete Corridors"—three of which would extend from the EU's TEN, into Eastern Europe and Russia (**Figure 4**).

**December 1994.** A Schiller Institute conference in Eltville, Germany, "Global Economic Recovery and the Cultural Renaissance," focussed on the "New Silk Road" development policy. Lyndon LaRouche, personally taking part for the first time since his imprisonment under the Bush regime, conducted a seminar on the Eurasian corridors perspective, with leading thinkers from Russia, Ukraine, China, and Eastern Europe.

**May 1996.** At the "International Symposium on Economic Development of the Regions Along the New Euro-Asia Continental Bridge" in Beijing, Helga Zepp-LaRouche brought the Schiller Institute's European and Eurasian corridor development policy together with that of China. In January 1997, *EIR*'s report, "The Eurasian Land-Bridge: The 'New Silk Road,'" was published.

**1998.** The "Land-Bridge" report, with its in-depth discussion of corridor development, and of the national banking approach needed to finance it, circulated far and wide in Eu-

rasia, its text studied and maps reproduced by leading Russian specialists (**Figure 5**).

**1998.** The EU and Russia resolved to extend the No. 2 Pan-European Corridor (Berlin-Warsaw-Minsk-Moscow) to Nizhny Novgorod (formerly Gorky, Russia's third-largest city, a Volga River industrial center), effectively making it coextensive with the Transsiberian Railroad.

**September 2000.** The Second International Eurasian Conference on Transport, held in St. Petersburg, Russia, was attended by over 40 nations. In the key new development, Russia, India and Iran agreed to develop a North-South corridor. Upgrades of the transcontinental lines, and the links from Russia to Europe were also discussed. The rail line Calcutta-Delhi-Lahore (Pakistan)-Sukkur (Pakistan)-Zahedan (Iran) being problematic due to political and military tension, the North-South Corridor entails sea shipments from the Indian west coast ports of Mumbai (Bombay) and Kandla (south of the border with Pakistan) to Bandar-e Abbas on the Persian Gulf in Iran, then north by rail.

**May 2001.** Russia announced Eurasian Transport Union.