

Southwest Asia and the New Silk Road

The address of Hussein Askary of the Schiller Institute to the conference in Manhattan, October 29.

Thank you very much for inviting me to this important conference in Manhattan, New York. It's a great pleasure for me to discuss with you the issue of extending the New Silk Road into Southwest Asia or what is called the Middle East. Mrs. Helga Zepp-LaRouche has emphasized over the past two, three years the importance of extending the economic development perspective and the New Paradigm into this region. As you all are acutely aware, the Southwest Asia region is now a major mess. It is a tragic situation with four simultaneous wars going on, some genocidal wars. Of course this mess is the result of the interventions of the United States and Great Britain, in what is called the regime-changing of this whole area, by using military force to change governments and redraw the borders of countries. It is being called "creative chaos."

Our mission is not to comment on the war or be part of the war. Our mission in the Schiller Institute, and *Executive Intelligence Review*, and, I guess, every one of you, is to work for peace. But what kind of peace do we want to have? As you may all know, with the Israeli-Palestinian Oslo peace process starting in the early 1990s, Mr. LaRouche issued a very strong warning, saying that without making economic development the key issue, there would be no peace in this region. To establish peace, you must give people hope for the future, hope that their children and grandchildren will have a better future, will have better living conditions than those of the people living today. And that is the real issue and the real basis for any durable peace.

Necessary Interventions

Of course, there are certain developments that require sometimes military intervention, such as what



Hussein Askary

happened in Syria in September 2015, when Russian President Vladimir Putin intervened into Syria to put an end to the expanding and globally expanding terrorism which started from this chaotic situation in Southwest Asia, and which has threatened not only the countries in the region—causing the death of millions of people—but also extending to Europe, the United States, and other parts of the world. So with that intervention, if it is allowed to continue, in collaboration with other forces in the region, there is

a possibility to put an end to the terrorism of al-Qaeda and ISIL and the rest. But it's because of the obstruction of these efforts by the United States, Britain, NATO—and their allies in the region, such as Saudi Arabia, Qatar, Israel, and Turkey—that this situation might lead to global conflict, a world war. That's no exaggeration in today's world.

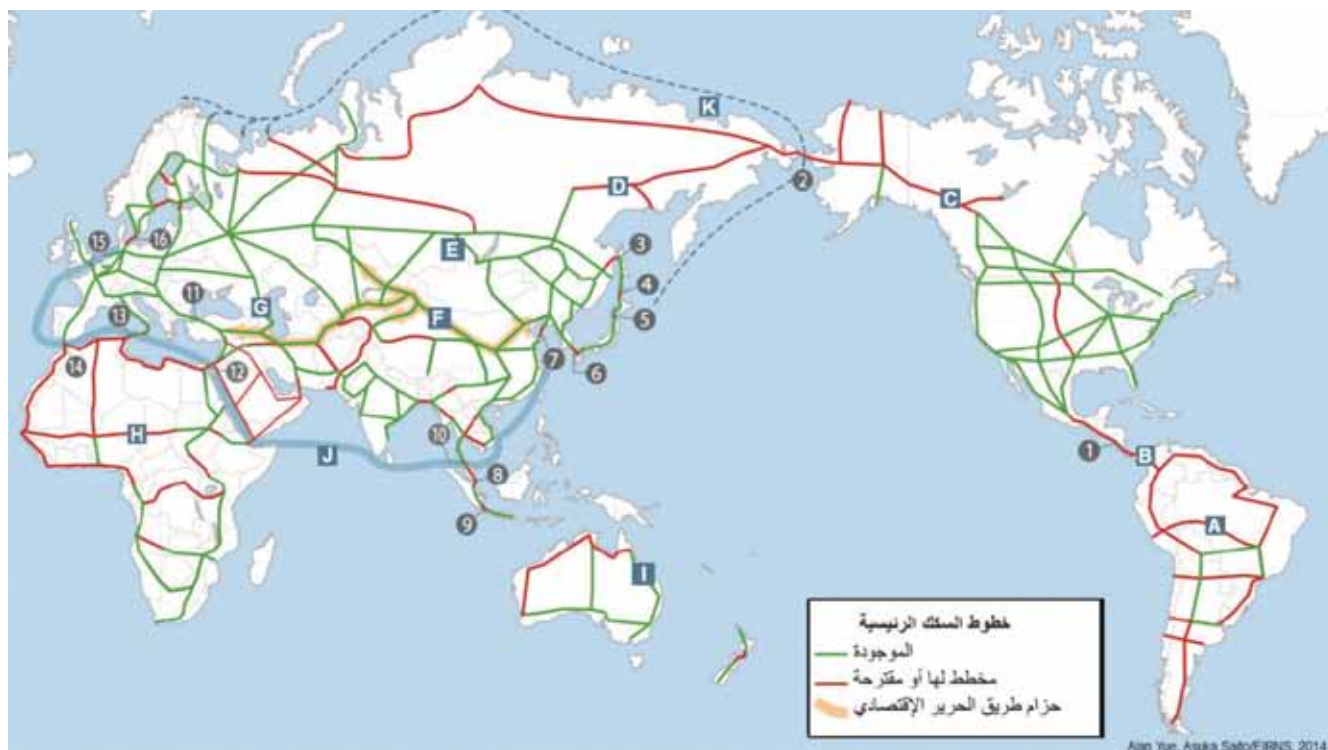
The other important intervention—which takes us into the idea of what is the solution to this—is the intervention by President Xi Jinping of China in January 2016, when he visited Egypt, Saudi Arabia, and Iran, nations obviously on different sides of this conflict. He invited them to participate in the New Silk Road—the Silk Road Economic Belt and the Maritime Silk Road—with the help of China. It was an offer of Chinese assistance in building infrastructure, power plants, railways, and so on, as a way of decreasing tensions and building better relations among nations. There could be no better proposal and solution than that.

You are all familiar with this [Figure 1], the New Silk Road, but the extension of the New Silk Road into a World Land-Bridge, connecting all continents and nations. If you look at the region identified as Southwest Asia, it's right at the east-west, south-north crossroads of the larger region. And it's also physically, geographically in the center. But metaphorically, politically, it's

FIGURE 1

The World Land-Bridge Network—Key Links and Corridors

*Committed, underway or completed.



LINKS

- ① *Great Inter-Oceanic Canal, Nicaragua
- ② Bering Strait Tunnel
- ③ Sakhalin Island-Mainland (Russia) Connection
- ④ Sakhalin-Hokkaido Tunnel
- ⑤ *Seikan Tunnel
- ⑥ Japan-Korea Undersea Tunnel
- ⑦ *Bohai Tunnel
- ⑧ Strait of Malacca Bridge
- ⑨ Sunda Strait Bridge
- ⑩ Isthmus of Kra Canal
- ⑪ *Bosphorus Strait Rail Tunnel
- ⑫ *Suez Canal Expansion
- ⑬ Italy-Tunisia Link
- ⑭ Strait of Gibraltar Tunnel
- ⑮ *English Channel Tunnel
- ⑯ *Scandinavian-Continental Links

CORRIDORS

- A *Peru-Brazil Transcontinental Railway
- B Darien Gap Inter-American Railway

- C Alaska-Canada-Lower 48 Rail Line
- D The Bering Strait Connector
- E Trans-Siberian Corridors
- F *Silk Road Economic Belt
- G *International North-South Transport Corridor
- H *Cross Africa Rail Lines
- I Australia Ring Railway
- J *Maritime Silk Road
- K *Northern Sea Route

also between two paradigms—between the paradigm of the BRICS nations and the idea of New Silk Road economic development and credit for infrastructure development, and the other paradigm, the imperialist paradigm, led by the United States, Britain, and the European Union. These countries are right in between these two paradigms. Which direction these nations will go, will really determine the future of this region and also the world.

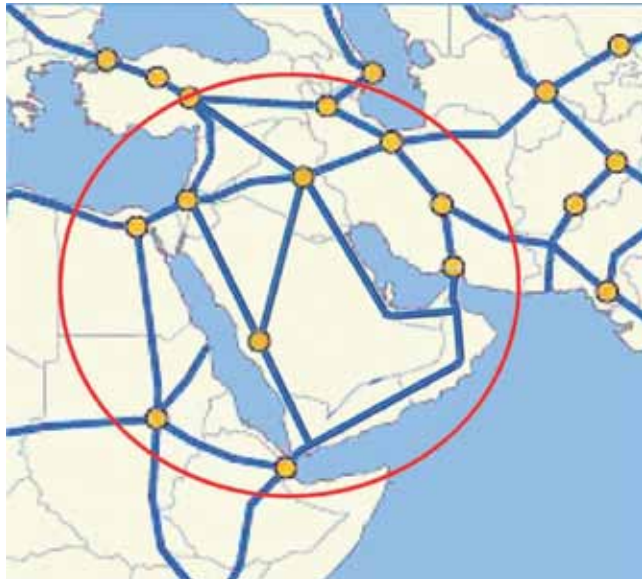
The Great Potential of Southwest Asia

Mr. LaRouche was in Abu Dhabi in 2002 [Figure 2]. That was one year before

FIGURE 2



FIGURE 3



the invasion of Iraq in March 2003. He told the International Conference on Oil and Gas in World Politics that these nations should use their position as a crossroads of the world [Figure 3] to use their geographical location between the continents as an advantage for building new industries. He said that they should not export their oil and gas resources as raw materials, but rather should use them as industrial materials for petrochemical industries, plastics, and so on, which would give each barrel of oil many times the value that it would have as an export of raw oil.

This crossroads of the world, which Mr. LaRouche identified, is one of the world's most interesting regions, not only because of all the conflicts, but because—if these conflicts can be turned into peaceful processes—there are enormous advantages for these countries. This zone is not limited to Arab and Muslim countries—there are others. Within this circle—right between Africa, Asia, and Europe—is two-thirds of the world's reserves of oil and gas; it's located right on the Silk Road Economic Belt, and the Maritime Silk Road passes through this region, making transportation costs very, very low. But also, most importantly, these nations are, many of them are ancient civilizations and cultures.

But there are also 450 million people living in this region and most of them are below the age of 30, which means that the nations of this region have the whole potential of the future right before them. And

the population of this region may double in the next 20 to 30 years, which will bring the number to 1 billion people living actually in a very wealthy area of the world.

Development Corridors, Not Just Routes

Right now, of course, all of the advantages are turned into disadvantages because of geopolitics and because of the regime-change policies. But this region could become one of the most important growth regions in the world, not only for the needs in the region for infrastructure, healthcare, education, modern technology, power production—all these things have been lacking for the last 30 years. But also, of course, the region could become a major center for industrialization. We have in Egypt, for example, the development of the New Suez Canal industrial zone, which could become a feeder for development in other parts of the region, in Africa for example, which Egypt could spearhead in the coming two to three decades.

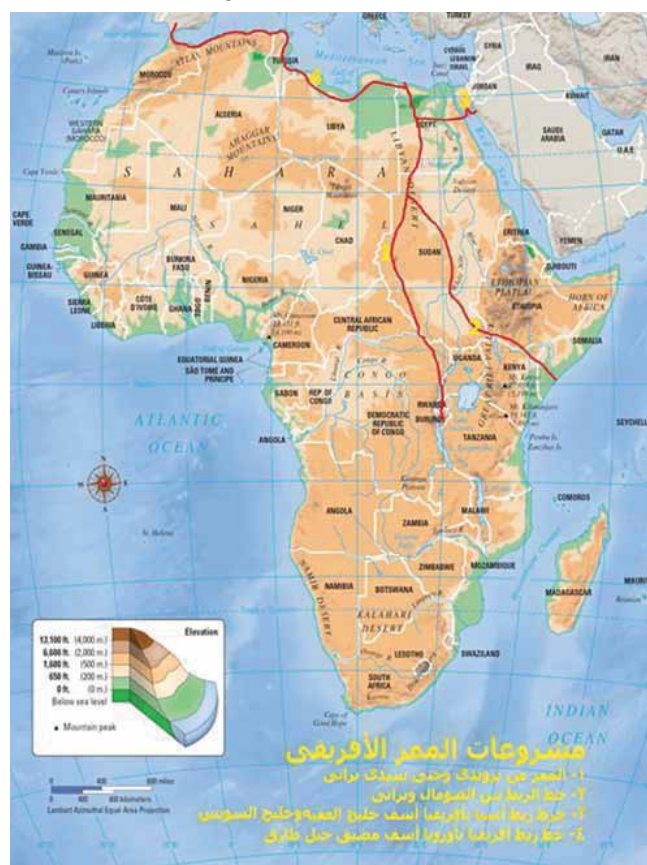
So this zone, this area, is one of the areas in the world with the greatest growth potential. What it needs—if you have looked at the World Land-Bridge map—is mostly the infrastructure to connect Asia to Europe and to Africa.

We have several connection routes—through Iran, through Iraq, Turkey, into Europe; but also through Iraq, Syria, and the Eastern Mediterranean region, into Egypt. We also have the route across the Gulf from Iran into Oman, into Yemen—Yemen is now experiencing a horrible war, waged by Saudi Arabia and allies—into Djibouti and East Africa. All these projects are feasible, as shown by many studies. But these projects are not simply railways and trade routes. They will be development corridors, as Mr. Lyndon LaRouche and associates have identified what development corridors are: to bring materials, energy, and technologies into regions which are less developed.

How Do You Finance It?

There are many different, related projects. We have, as I said, the Suez Canal Project, which brings the new Silk Road into Africa. We have the Africa Pass project [Figure 4], which will connect the Mediterranean to the landlocked regions in the Great Lakes region of East Africa. Here China is making very interesting initiatives [Figure 5] to connect these landlocked nations, including Ethiopia, South Sudan, Uganda, Rwanda, and Burundi, to the world economy and bring modern

FIGURE 4
Africa Pass Project



technologies to develop these regions. The lack of infrastructure is one of the greatest obstacles to development in these regions. China—and also India and Japan—but China is heading the whole move to develop infrastructure, transport, water, and power in these regions, which will bring these nations into a completely new economic reality in one or two decades.

The big issue which will come—and we have been confronting this—is the question of financing. How do you finance? How do nations that have just come out of war, or have had a destructive economic policy for two or three decades, come out and finance these massive infrastructure projects, which, of course, will cost tens or maybe hundreds of billions of dollars?

As you all know from the campaigns of the La-Rouche PAC and the Schiller Institute, what we are calling for is not simply the old monetarist system, but what we call a national credit system, or a system of credit for development. This is in complete contrast

FIGURE 5
New East Africa Railway



with what people know about to how to finance infrastructure.

The Institutional Economic Hitmen

The nations in the region have been completely devastated by the policies of the International Monetary Fund (IMF) and World Bank, especially the less privileged countries. They have been told that, since they don't have enough financial resources, they should not opt to build major infrastructure projects; they should simply cut costs and use austerity policies to reduce the deficits in their government budgets—and also to reduce the population, as in the case of Egypt. They have been getting that advice all the time. Of course this will not only impoverish these countries; they will be completely destroyed, because a nation's legitimacy to exist lies in its capability to envision how to provide for its people and build a better future for the coming generations.

Each nation has the right to produce its own credit for whatever is necessary to produce or build for its own population. We have had interesting cases: For example in Egypt, when President Abdel Fattah el-Sisi had the vision of doubling the Suez Canal, because you had traffic going only in one direction at a time, which created a big bottleneck at this very important international trade canal.

So the idea was to double the canal, and that would

require, of course, at least \$8 billion, but it would take three years. And President el-Sisi said no, our nation needs to hasten this process, so we do it in one year. *And*, since the IMF and the international financial markets are already bankrupt and are not interesting in financing this kind of project, President el-Sisi said: Well, we will go to the Egyptian people. The Suez Canal Authority called on the people of Egypt to buy certificates to finance the building of the canal. And you had \$8 billion raised in less than two weeks, by Egyptian people taking their savings and buying Suez Canal certificates. This is three times more than the amount a loan which Egypt had been negotiating for many, many years from the IMF and still hadn't gotten it.

Where Does Credit Come From?

So in each nation you have the credit capabilities, you have the financial capabilities, but these are not invested in the right way, because you don't have the vision. Building the Suez Canal is such a vision. But that is not enough, because you cannot simply build one project and expect a financial return from that project. What you need is to have a national development program, and not only \$8 billion, for in Egypt actually, within Egypt itself you can raise \$100 billion. *And* instead of using that kind of money to pay cash for every project, you can also issue credit.

Now if you have powerful nations, wealthy nations, they don't have to pay everything in cash. They issue government bonds, they can get credit very cheap, like China today, they can get credit. China is the world's biggest creditor; but since it has the capability to finance its own debt and has a growing economy, it has a capability of getting credit, too. But China is now giving credit to other nations to develop.

So, when you have the vision, when you have the determination and the possibility, for example, of building a national development bank based on internal credit generation, you will get support and credibility from other nations. For example, if you need to import machines from other countries, more industrialized countries, you could get export credits from the government of that country, through its own companies, who will provide you with the machines. You don't have to pay for these machines. This is what happened with the Marshall Plan between the United States and Europe. You can pay back under a long-term loan agreement when your development project is productive and paying for itself.

Nations in the region are told that the only way you can finance major infrastructure projects is by making your country attractive to foreign investors. We all know that most investors in Europe, the United States, and Japan have deep, deep economic problems, and they are not interested in financing infrastructure projects, so that will never happen. Many nations now are making themselves attractive to investors; they are competing against each other to attract investors, and the investors are not coming.

The Model that Works

What is needed is what China is doing—realizing the visions that have existed for many, many years, for infrastructure, including national, regional, and trans-continental projects that have been on the drawing boards for many years. The only thing that is needed is an agreement of national support that project, and of course you can get the support of the exporting countries, like China. It is investing now, with no payment involved—no money involved—in development projects in Ethiopia, Kenya and elsewhere in East Africa, and Nigeria, where it has long-term credit agreements, or it can be paid back in oil or other commodities. So these nations don't have to spend all of their liquidity in paying for these projects. They can pay back when these projects are mature and they are productive; and that's the way to pay back the credit you get.

So we have to stop the war and launch an industrialization process in Southwest Asia and Africa, but based on a credit system, not on the old monetarist system. The old system does not have the credit, or the financial capability, or the desire to build these projects for development. But there is a new paradigm, in which China and the other BRICS nations are leading a process of economic development, reducing poverty, and using scientific and technological innovation to bring nations above the poverty level and into a completely new era.

So that is the major challenge for the world today and for us as citizens—to reverse a policy which has been very, very destructive. If you look at Africa the way Europe and the United States have looked at Africa, Africa is a big burden. Africa is a poor continent, the countries are poor, and most of them are involved in civil wars or regional wars. And it looks like a hopeless case, but we can of course give aid here and there, and our raw materials companies, mining companies, can still continue working there.

Lands of Opportunity

But the way to look at it is that every poor country in Africa and Southwest Asia is actually an opportunity. What makes these nations creditworthy is all the needs they have, all the gaps they have in their own development, in production of food, production of infrastructure. Their mineral resources are not utilized. China sees this as an opportunity. It's not a burden to work with Africa. And guess who else thought that way? It was your President, the President of the United States, Franklin Roosevelt, in his quarrel with Prime Minister Winston Churchill of the British Empire. During World War II, Roosevelt told Churchill, After this war, we will not fight to save your empire, or the French empire, or the Belgian empire. The African nations will become independent nations and they will develop exactly as we developed.

Now, you suck the blood of Africans, and what do you get? You get pennies! But if you develop these nations the way we developed the United States after the Great Depression, with building infrastructure, water projects, sanitation, healthcare, then you will gain much, much more from these countries by having fair

trade with them than simply looting them.

So the idea of the win-win strategy is actually what the United States had, under Roosevelt's vision for the world after World War II. It is time now to go back to that vision. Fortunately, more than half of the world population—in the BRICS nations and their allies—is open to this policy, what China's President, Xi Jinping, has called the win-win policy.

Europe can choose between continuing its existing policy, getting 1 million refugees every year from Africa, or it can contribute to developing Africa the way China is developing Africa, and it could then get 10 million African tourists visiting Europe every year.

So, you have to look at it in this way: If you help your neighbor, you will benefit from that yourself. That is exactly what was stated in the Peace of Westphalia, which ended the horrible religious wars in Europe in the 16th and 17th centuries. This is exactly what the parties to the peace agreement said, that each nation has to work for the benefit of the other. I think the Schiller Institute is the leading organization in the world in making that vision, that idea, a reality for today and for tomorrow.

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.

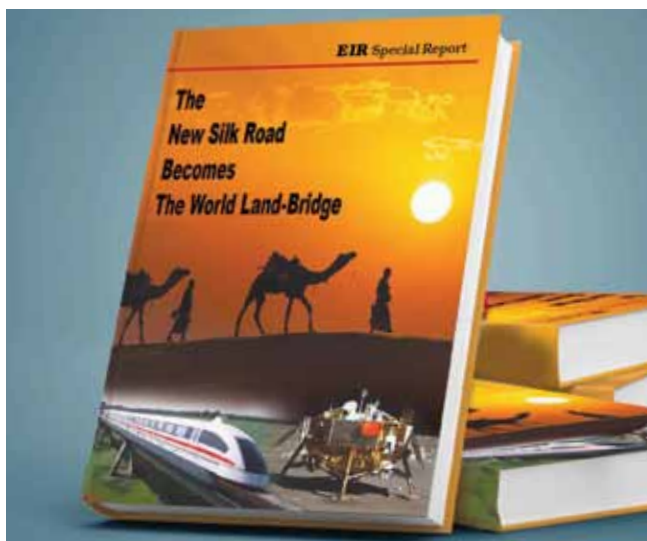
Includes:

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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