

'New Deal' for Russia

In Russian, this idea of “*novoye delo*”—a new cause, new enterprise, or new mission—expressly resonates with Roosevelt’s “New Deal” (the linguistic root is the same). It must be determined collectively, what Russia’s own, national new cause is to be, and it is very important to characterize such an undertaking, by identifying its seven most important facets.

- The mission, seen through the prism of the efforts expended and capabilities developed; in other words, *experience*.
- The mission, seen through the prism of personal development, education, and training; this means a *profession*.
- The mission, seen through the prism of others’ utilization of the results and products, accomplished by an individual person; this is *labor*.
- The mission, seen through the prism of resources, methods, approaches, instruments, and technologies; or, *activity*.
- The mission, seen through the prism of project-drafting, conceptualization and planning of the future (future actions); this is *thought*.
- The mission, seen through the prism of a person’s confidence that tomorrow will come, and that he will enjoy social protection; that means *employment*.
- The mission, seen through the prism of trade, commerce, and exchange; or, *business*.

There are very important political changes taking place in post-Yeltsin Russia. It is now clear to a rather large number of people, that Russia cannot adopt or borrow ways of life from outside. Russia cannot imitate or replicate another country’s pattern of action; there is no such pattern. Therefore, the people of Russia must set their own goals, and determine the mission of Russia. It is impossible to formally deduce these goals and aims. The mission of Russia consists in launching a new civilization, together with the other countries of Eurasia. Perhaps one should say “a multicivilization,” because Eurasia itself is an eternal dialogue between different civilizations.

The main idea of this new multicivilization lies in the cultivation of new ways of life, and in mastering space and time across the vast territories of Eurasia. The northern territories, the ocean floor, marine resources, geological prospecting by satellite, resource- and energy-saving technologies, new kinds of nutrition and food, new kinds of engines, new types of transportation, new energy sources, new technologies in education, and a new style of life—all these things can become reality, within an innovative economy in the center of Eurasia. There is a huge demand for all of these things in Eurasia, and they all exist in embryo, in the not-yet-developed innovation economy. As of yet, however, we have not officially declared the mission of Russia. Real goals, not just for how, are lacking. Thus, I can say that it is very difficult to do something with Russia, if it is viewed only as if it were a bureaucratic corporation.

Ramtanu Maitra

Central Asia’s Role In the Land-Bridge

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The Second Eurasian Land-Bridge, which starts off from the east coast of China and connects Europe through Iran and Turkey, passes through the volatile and impoverished nations of Central Asia. The Land-Bridge, at this point nothing more than a long railroad carrying passengers and goods from point to point, passes through Central Asia without making any significant contribution to its economy. But in the future, Central Asia could become a developmental hub. The region’s advantages are its natural reserves, toward which the entire developed and semi-developed world is looking with great expectation. With the oilmen in charge of Washington now, Central Asia will be very much in focus for oil and gas—the energy sources to which the world still remains very much attached.

While sparsely populated Central Asia, with about 30 million people, is a prime candidate for development and future prosperity, it is also a dangerous territory, and is becoming more so every day. Exploited by the erstwhile Soviet Union for decades for its resources and fertile, though small, agricultural land to raise cotton, the area has remained impoverished. Its water resources have been damaged almost beyond repair; land has been eroded; and, manpower remains virtually unskilled. While the area produces an enormous amount of poppies and water-thirsty cotton, it produces much less food grain than its population needs. . . .

What Ails Central Asia

The Central Asian nations have problems which are unlike those of many African nations with which they are often grouped as so-called newly independent states. Only a little more than a decade ago, the area was under the now-defunct Soviet Union. The rivers belonged to one entity. With its



breakup, and the formation of the Central Asian nations—Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—the river system was fragmented. The riparian rivers have a different role to play for each nation. During the Soviet days, water was exploited to produce the cash crop, cotton. Water has been diverted from rivers to irrigate the Ferghana Valley and grow more and more cotton. As a result, the Aral Sea, where the two major Central Asian rivers, Amu Darya and Syr Darya, discharge their surplus water, is receiving less and less water. Helped by large evaporation, the Aral Sea is drying up, creating an environmental hazard for the future.

The lack of irrigation water and the countries' inability to shift quickly from collectivized farming to private land ownership, have resulted in food shortages. With the drying up of the Aral Sea, the microclimate of the area has been changed, and it is almost a certainty that the Aral Sea basin will be receiving less and less rainfall in the decades to come. The shortfall of food grain has shown up in Uzbekistan and Tajikistan, most prominently. Tajikistan has a 50% shortage and Uzbekistan an almost 25% shortage. These shortages will grow if well-thought-out measures are not taken immediately.

In addition, the lack of food sufficiency will make the Central Asian nations dependent on the West and vulnerable to the economic globalization and liberalization trap. . . . As the Indian experience teaches, the Central Asian nations, in order to protect their sovereignty, must immediately put in place plans to make the countries self-sufficient in the coming decade. Such measures would instill a sense of confidence within the desperate population.

The water shortage has also given rise to increasing hostility between the Central Asian nations over water usage. Cotton was already being cultivated in the basin of the Syr Darya and Amu Darya Rivers before Russia took control over the area (1860s). In the 20th Century, the Soviet Union decided that the cotton sector had to be extensively developed to foster growth in the region. Water conservation was not a component of the program. This resulted in the drastic depletion of river flows and ground water reserves, and even to the dessication of the Aral Sea. This Sea is indeed, on the verge of disappearing, having already lost three quarters of its volume and shrunk in size by 56%. Out of 120-127 cubic kilometers per year of water supposedly arriving to the Sea, about 90 is used for irrigation, with 60-65 for the cotton industry. In some dry years, the Aral Sea was partially or totally left without inflow. The situation creates tensions between the new republics of the basin. . . .

The Ferghana Valley, with 45% of the irrigation area in the Syr Darya basin, is one of the most ethnically mixed regions of Central Asia. All countries making up parts of the valley have territorial claims against each other, mainly because of large minorities living in districts bordering their own republic. As far as the most populous republic is concerned, around 90% of the Uzbek foreign community lives in

districts bordering Uzbekistan. Uzbeks living in Kyrgyzstan resides mainly in the Osh district bordering the Uzbek part of the Ferghana Valley.

The Water Issue

Central Asia makes up part of the arid and semi-arid vegetation zones of the globe. Precipitation and usable groundwater resources are insufficient to meet the demands of agriculture and habitation. The majority of water comes from the runoff of the high mountain ranges of Pamir and Tien Shan, in the eastern parts of Central Asia. Most of this runoff feeds the two main rivers of the region, Amu Darya and Syr Darya, which flow west and north toward the Aral Sea.

Much of the Central Asian landscape is arid desert, with pockets of rich oases of agricultural land and settlements along the main river systems in the republics. Sources of water are unevenly distributed in the region, with four-fifths of Central Asia's water network concentrated in the smaller republics of Uzbekistan and Tajikistan; whereas the larger, cotton-growing republics of Uzbekistan and Turkmenistan can count on only one-fifth of the region's natural water network.

Much of the agriculture is possible only by irrigation, demanding sophisticated water distribution systems. The allocation of this precious water could only be realized by developing the so-called "hydraulic societies" that have an ancient tradition in Central Asia, especially in the regions of Khiva, Samarkand, and Ferghana. The "Mesopotamia" of Central Asia, the fertile irrigated land between the two legendary rivers of Oxus (Amu Darya) and Jaxartes (Syr Darya), is an ancient settlement area with a history of approximately 3,500 years. Archaeological research has revealed sophisticated irrigation systems that provided water for millions of hectares.

At the end of the Nineteenth Century, after the Russians had conquered the Khanates of Turkestan, new irrigation technologies were introduced and cotton was cultivated on a larger scale. With the consolidation of Soviet power in the early 1920s, the irrigated area was extensively developed due to the Soviet Union's most favorable thermal and soil conditions in an arid region with then abundant water resources.

However, the traditional appreciation of the once-inexhaustible water resources in Central Asia has diminished since the sovietization of the region. Since 1960, the region has witnessed a dramatic increase in the demand for water resources. Water withdrawals for irrigation are enormous. Depletion of river flows and groundwater reserves, as well as degradation of water and soil qualities, have become widespread. The consumption of water has tripled, mainly due to significant extension of irrigated agricultural land and to the rapid population growth.

The region's productive forces have been focussed exclusively on the production of cotton. A big rural labor surplus and the intention of the Soviet central planning authorities to become independent of cotton imports, led to a concentration of cotton cultivation. Since 1960, cotton production has dou-

bled, and now accounts for almost half of the irrigated sown area. Irrigated arable land has increased by 60% in the last 40 years. Cotton monoculture is regarded as the main reason for the depletion of soil and water resources in the Central Asian Republics. Cotton cultivation is responsible for the exhaustion of nutrients, soil compression, and a massive application of herbicides, pesticides, mineral fertilizers, and defoliants to ease harvesting. Drainage water from the irrigation fields discharges these toxic substances into the main rivers. Poor water management in the Aral Sea basin is responsible for the decline in agricultural production, and due to salinity, has already taken out of production an area larger than Belgium.

Water for Agriculture

The desiccation of the Aral Sea is one of the major man-made ecological catastrophes in the world. By 1982, the extreme specialization of cotton monoculture and its irrigation practices, had led to an almost total extraction of the runoff originally reaching the Aral Sea, which has already lost 75% of its volume since 1960. The blowing away of toxic salt and dust due to the exposed sea bottom, leads to soil infertility in the once-fertile Amu Darya delta. Furthermore, the falling sea level has caused a microclimate change and a rapid decline in fish productivity [and a shortening of the growing season]. Experts expect that the Aral Sea will evaporate further in the foreseeable future.

Huge dust storms blow salt and toxic sediment far across the Sea's littoral republics—Uzbekistan and southern Kazakhstan—adding to the already chronic health conditions in the region. . . .

The Amu Darya River now feeds into the Kara Kum canal, which carries water along an earthen channel to cotton-growing areas far inside the interior of Turkmenistan. The river is also tapped by Uzbekistan for its cotton fields. Since the Kara Kum canal is really nothing more than a long, open ditch dug out of the earth, much of its water is lost, either through seepage into the earth or through evaporation as the river water traverses hundreds of miles of arid expanse.

At the cotton fields, the water saturates the land through large-scale flooding. Much of the water evaporates in the field, and what is not captured by the soil runs off into small reservoirs or back into the Amu Darya. Beginning in 1982, when water scarcity caused strict limits on the republics' water consumption, improvements in irrigation efficiency and water management in Central Asia were given top priority. The program was given added emphasis by Gorbachov. . . .

By and large, these measures have shown some success in curbing the profligate use of scarce water resources; but no one can say with any degree of certainty whether these measures by themselves can stop the gradual desiccation of the Aral Sea. One of the more controversial proposals to provide the region with more water, would divert northward-flowing rivers feeding the Siberian steppe, back into the Central Asian Republics through an extensive network of canals.

Lothar Komp

The Current Financial System Is Finished

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Last weekend, the central bankers and finance ministers of the G-7 countries met in Washington, followed up by the Spring gathering of the International Monetary Fund at the same place the day after. And if we believe the utterings of these so-called leaders of world finance, then everything is still under control—as long as central bankers just keep up printing money to bail out the speculators.



In his address to the German Parliament's Financial Committee in Berlin in early April, IMF Managing Director Horst Köhler stated: "We are not at the brink of collapse," and he urged people not to plunge into "gloomy pessimism" (in German: "*dumpfe Schwarzmalerei*"). If Köhler feels the need to use such words, some real panic must be out there.

And there is a lot of reason for this. If we look around the globe today, we are witnessing a worldwide picture of horror in financial and economic terms.

We will start our *tour d'horizon* with the biggest economy in the world.

The U.S. Economic Collapse

There never was a "U.S. economic boom" during the 1990s, as *EIR* has documented in detail in the past. Instead, there has been the emergence of the biggest speculative bubble in history, built on a "boom of illusions" and cheap credits for consumers and stock market investors, as well as corporate takeovers. At the same time, U.S. strength in key economic sectors, including machine building and aerospace, as well as key infrastructure, from the health system to the energy sector, has been ruined due to insane policies.

Now, since March of last year, the bubbles and the illusions are collapsing. First on the stock market. And immediately after the U.S. Presidential election, also concerning the real economy.

Layoffs. The U.S. Internet sector was the first to face a