

## Eurasian Cooperation Offers Future to World Economy

by Mary Burdman

Russian President Vladimir Putin made an extraordinary diplomatic trip on Dec. 1-5, to China, and from there, directly to India. What was remarkable about these state visits is that they brought the three biggest nations of Eurasia into coherent diplomatic initiatives on the critical security and economic development problems they all face. This is vital not only for the “strategic triangle” Russia-China-India, but for all the nations on the Eurasian landmass—Western Europe to Eastern Asia. And if the axioms of American economic and foreign policy are shifted, away from current “Utopian”-imperial trends, toward the New Bretton Woods/“Super-TVA” perspective that Presidential pre-candidate Lyndon LaRouche is advocating, such developments in Eurasia can have very positive consequences for the United States.

With Chinese President Jiang Zemin, and Indian Prime Minister Atal Behari Vajpayee, Putin signed comprehensive declarations on the most critical international situations: the Korean Peninsula, Iraq, Afghanistan, India-Pakistan, and the Middle East. For Russia, China, and India, these “hot spots” begin right on their borders; for the security and development of all Eurasia, these three biggest powers *must* take responsibility for reducing tensions and moving towards solutions.

Equally important were the discussions in both Beijing and New Delhi, on strategic economic cooperation in Eurasia, primarily in transport infrastructure; joint gas and oil projects; nuclear energy, space and other advanced technologies—including for environmental protection; promoting small and medium enterprises; and trade and joint production of military and civilian equipment.

In his speech to 600 students and faculty at Beijing University on Dec. 3, Putin described the international importance of Russian-Chinese economic projects. “We have al-

ready approved quite a few interesting programs,” Putin said. “These projects not only tangibly benefit both sides and create new jobs. . . . In essence, they modify the whole configuration of the economic infrastructure of Eurasia. It is our common contribution to the development of the world integration processes.”

Putin spoke in similar terms in New Delhi. There, he told the leading organizations of Indian entrepreneurs on Dec. 4, that development of transport infrastructure, the main task of the already existing coordination council of the “South-North” international transport corridor, is the main strategic objective of the Russia-India partnership. This corridor, first proposed in September 2000, extends from India, via Iran, into Russia.

### ‘Triangular’ Cooperation

In the crisis-ridden year of 1998, as financial disaster spread from Eastern Asia, to Ibero-America, to Russia, Lyndon LaRouche had proposed that all and any nations which did not want to go down with the “Washington consensus”-globalization ship, work together as a “survivors’ club” of nations, which would cooperate to rebuild basic infrastructure, vital trade, and production-oriented financial arrangements. The core of this “survivors’ club” was already emerging among Russia, China, and India, in cooperation with Malaysia and Iran; Kim Dae-jung’s embattled “sunshine policy” is generating another pole on the Korean peninsula, which Japan can join. Western Europe, where advanced industrial economies are plunging into collapse, must become the other partner.

The idea of the “strategic triangle” has had many ups and downs since, but is now being shaped among Moscow,



*“Strategic Triangle” summits were held between Russian President Vladimir Putin and Chinese President Jiang Zemin (left) on Dec. 3 in Beijing; and between Putin and Indian Prime Minister Atal Behari Vajpayee on Dec. 4 in New Delhi.*

Beijing, and New Delhi, as a foundation for expanding relations to other security and economic cooperation organizations of Eurasian nations.

What is emerging among these three nations, LaRouche emphasized on Dec. 4, is the most important economic factor in the world today.

In an interview with the Press Trust of India before he left Moscow, Putin said: “We are concerned of the need for positive development of relations between Russia and India, Russia and China, and China and India. I think all the parties within this triangle are interested in this development.” Russia and China, he said, are resolving their border differences, and hoped China and India would do the same. On Russian military exports to both nations, Putin dismissed any “geopolitical” views: “Russia is not delivering weapons to conflict areas. This is our policy. . . . There is no conflict between China and India now, and I hope there will be no conflict in the future.”

Indian Prime Minister Vajpayee responded in an interview with the semi-official Russian news agency Novosti. Vajpayee said that the Foreign Ministers of the three nations, who had met at the United Nations in New York in September, had “exchanged views on topical international issues. They have agreed to continue contacts in this format, so that new avenues of cooperation can be explored.”

In preparation for Putin’s visit, A.I. Nikolaev, chairman of the Defense Committee of Russia’s Duma, the lower house of parliament, spoke at a high-level seminar in New Delhi on Nov. 29. There, he said that “we are convinced that the potential of bilateral cooperation, not only between India and Russia but also between India and China, Russia and China, and other countries, can be and should be used for general benefit.”

Cooperation among the three countries could generate a “new qualitative security system,” Nikolaev said, which “is the need of the hour, which is capable of facing new threats and considering peculiarities of huge and multifaceted Asia.” This could deal with “neglected” zones of insecurity and con-

flicts, and ease the burden on the United Nations in Eurasia—from the Middle East, Central Asia, to Southeast Asia and Indo-China.

### **State Relations of a New Type**

In Beijing Dec. 2, Putin and Jiang Zemin signed the Joint Declaration of the Russian Federation and the People’s Republic of China. This states that the “intensification of the strategic partnership” of Russia and China “stems from the long-term interests of both states and their peoples.” This partnership has a “tremendous potential,” and represents a new kind of state-to-state relations. Over the past decade, Sino-Russian relations have developed to a level of creating mutual security, *without* targetting any third nation or group of nations. This, the Declaration elaborates, is how a multi-polar world can function.

At the same time, the Joint Declaration—the sixth the two governments have issued since 1994—warns starkly about the international situation—without fixing blame on any “evil axis.” The leaders stated that “peace and the development of humankind are facing challenges which cannot be ignored.” It is essential, they said, to formulate a comprehensive “strategy for stable development of humankind.” This “should be based on the recognition of the indivisibility of international security in its military, political, economic, humanitarian, and ecological aspects.”

It was in this context that Jiang and Putin stated their concerns about the situations in Iraq, Afghanistan, and North Korea. They emphasized that the crisis over Iraq must be solved peacefully, using political and diplomatic means, based upon the resolutions of the United Nations Security Council. The “persisting instability” and growing drug production in Afghanistan must be dealt with, the Declaration states. It is even more emphatic about the Korean Peninsula. “The sides consider it important for the destiny of the world and security in north-east Asia, to preserve the non-nuclear status of the Korean peninsula and the regime of non-proliferation of weapons of mass destruction,” the Declaration says.



The “South-North” Eurasian Land-Bridge of transport from India, through Iran and Russia, emphasized by President Putin in his India summit, was mapped first by the Russian Transport Ministry in May 2001. The East-West Land-Bridges are also indicated.

“And in this context, they stress the *extreme* importance of normalizing relations between the United States and the DPRK [North Korea].” This was not just an admonition to Pyongyang; it was, emphatically, also a demand that the United States, with its heavy military deployment in South Korea, take immediate steps to resolve the crisis.

The Joint Declaration emphasized the growing importance of cooperation with Eurasian organizations. Chief among these is the Shanghai Cooperation Organization (SCO) of Russia, China, Kazakstan, Kyrgyzstan, Tajikistan, and Uzbekistan, as an “important factor in maintaining peace, security, and stability in the region, and one of the supporting elements in the future multi-polar world.” There was no mention of the possibility of India joining the SCO, but Russia is actively promoting this idea, and New Delhi is interested. The Declaration also noted the “constructive role of ASEAN,” the association of 10 Southeast Asian nations, “in building new-type inter-state relations in the Asia-Pacific region.” China, which has solid and special ties to ASEAN, said it would give the “necessary assistance” to help bring Russia closer to ASEAN and the ASEAN+3—China, Japan, and South Korea.

The two sides also said they “highly appreciate” the role of ASEM, the “Asia-Europe Meeting,” a political dialogue between the nations of Western Europe and East Asia, and

Beijing supported Russia’s intention to join ASEM.

In comments on his meetings with Putin, Jiang Zemin noted the “great vitality in action” of the Russian-Chinese Good-Neighborly Treaty of Friendship and Cooperation, signed last year. “Under the current complicated international situation, ‘Peace has the greatest value,’ ” Jiang said, citing a Chinese proverb. To develop ties further, Jiang stressed speeding up “the execution of large-scale trade and economic cooperation projects,” as well as military and cultural cooperation. Agreements were signed on building two pipelines, for gas and oil, from Siberia to China.

Putin also met the Chinese Prime Minister Zhu Rongji, with whom he discussed economic cooperation, and the just-elected head of the Chinese Communist Party, Hu Jintao. Putin confirmed that bilateral relations will move forward with the new generation of Chinese leadership; he had pointed to the “special significance” of this visit because of the transfer of power at the 16th National Congress of the Communist Party of China in November.

### Unique Relationship

On Dec. 3, Putin left Beijing for an intensive visit to New Delhi. He met informally and formally with the Prime Minister, as well as Indian President Abdul Kalam and the national political leadership. On Dec. 4, as planned, Putin and Vajpayee signed the “Delhi Declaration,” whose central theme is the long-standing and enduring friendship between India and Russia, which gives these two nations a “unique capability” to contribute to the “evolution of a new world order, which would be stable, secure, equitable, and sustainable.” The two countries must now elevate their strategic partnership, with “particular emphasis on deepening the economic content of bilateral relations.” The Declaration supports “strengthening of the UN’s central role in promoting international security in a multi-polar world”; Russia reaffirmed its support for India as a permanent member of an expanded UN Security Council. The Declaration stressed the threat of terrorism, which it termed a “crime against humanity,” and the importance of bilateral cooperation to counter it; it specifies that their “common neighborhood” of Afghanistan and Central Asia is “of vital security interest.”

Unquestionably of greatest concern to India, is the situation in Pakistan. Before he left Moscow, Putin had already questioned the security of Pakistan’s nuclear weapons. The Delhi Declaration said that both sides are “victims of terrorism having its roots in our common neighborhood.” The statement stressed that Islamabad must “prevent the infiltration of terrorists across the Line of Control” in Jammu and Kashmir and other border points, and “eliminate the terrorist infrastructure in Pakistan and Pakistan-controlled territory.”

Equally important for India and Russia was the “Joint declaration on strengthening and enhancing economic and scientific cooperation” which Putin and Vajpayee also signed

Dec. 4. At their joint press conference, Putin praised the “multi-faceted cooperation” between India and Russia as a “most important positive factor” in the global economy. The views of Russia and India coincide “on many issues. . . . This is based on coincidence of national interests of the two countries in key areas,” he said.

In addition to strategic cooperation to expand transport links, the two sides also discussed nuclear energy. Russia is already building two 1,000-megawatt nuclear power reactors in Kudankulam in Tamil Nadu, based on a 1999 agreement. Most of the construction costs are being met with Russian loans. The day before, Russian Atomic Energy Minister Alexander Rusyantsev, part of Putin’s delegation, said that “the two sides might cooperate in the construction of nuclear reactors in India with the assistance of Russian experts.”

Russian Industry Minister Ilya Klebanov, also in New Delhi with Putin, said that Russia is proposing to convert a significant portion of the old Soviet Union’s debt to India—mostly the result of trade imbalance—into Russian investment in Indian projects. Klebanov gave no figure, but said that even half of the debt would be enough to fund several large projects.

The other strategic level of cooperation is defense. No specific defense deals were announced during Putin’s visit, but the Indian-Russian defense relationship has become one in which cooperation in advanced military technologies is seen, A.I. Nikolayev has stated, as “a long-term investment in Russia’s national interests and strategic security.” One important project under discussion, is production of a military transport plane which can also be used for the civilian economy.

### ‘Create History Anew’

Putin’s visits to both countries were received with extraordinary cordiality. Before the trip, special books and magazines on Chinese-Russian and Indian-Russian relations were published; leading officials and policy-makers of all three countries greeted the potential for their cooperation. When Putin spoke at Beijing University, in a most unusual diplomatic gesture, Jiang accompanied him and also spoke to the students. After Putin’s speech, Jiang Zemin said, “The future of China, the future of Russia, and the future of the world, all belong to and depend upon the younger generation.” Putin responded, “Russia and China are both faced with tremendous challenges in the 21st Century, which are bound to be shouldered by the younger generations. . . . One generation plants the trees in whose shade another generation rests.”

In New Delhi, Putin and his wife Lyudmila took time on a very busy Dec. 4, to pay their respects to Mahatma Gandhi at his stone memorial on the Yamuna River. At the state banquet that evening, Putin quoted Gandhi: “If we want to be a success, ‘we ought not to re-enact history, but create history anew.’ That is what we intend to do, as we make and carry out future-oriented plans.”

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## E-Mails to LaRouche

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# Transform the Bankrupt Monetary System

*This e-mail interchange between a reader and 2004 Presidential pre-candidate Lyndon H. LaRouche, Jr. was made available to EIR on Dec. 1 by the LaRouche in 2004 campaign committee.*

**Q:** Dear Sir:

I read with interest the *EIR* when I get a chance.

Could you please point me at any articles,<sup>1</sup> including your opinions, regarding the following:

- introduction of debt-free U.S. currency issue (greenbacks), together with simultaneous enforcement of full reserve banking (strategy outlined by M. Friedman to remove control of U.S. money supply from private to public authority);

- immediate U.S. withdrawal from new economy organizations: IMF, BIS, WB.

Objectives:

- to reform the banking system, and
- to remove the possibility of a major depression in future through money supply manipulation,
- to insulate the U.S. economy from further manipulations through the power currently exercised by the Fed.

I have been told by many that this would be a disaster for the U.S. economy, but in my opinion it would only be a disaster for those who currently attempt to control the U.S. and world economies through the control of the money supply, domestically through organizations like the Fed, and internationally through the IMF.

Does Mr. LaRouche have a policy in this area, and could you please advise what it is?

I have been doing a lot of reading on the topic, and I have come to the conclusion, similarly to you I think, that this is the only path back to prosperity for any nation on earth.

Thank you for your publication and I look forward to your reply.

**LaRouche:** The Constitution prescribes a U.S. monopoly on issuing and control of the national currency. The Federal Reserve System, introduced by aid of King Edward VII’s New York agent Jacob Schiff, was an effort to defeat the intent

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1. For a related discussion, see LaRouche, “On a Basket of Hard Commodities: Trade Without Currency,” *EIR*, Aug. 4, 2000—ed.