

Russia Seeks To Develop Far East; Invites U.S. Role

by Rachel Douglas

Jan. 8—“Dreams of travelling from London to New York by train were evoked last night after one of Russia’s most powerful men pledged a crucial tunnel linking his country to North America would be ‘feasible’ within 10 years,” began the Dec. 20 London *Sunday Express* report of an interview with Russian Railways President Vladimir Yakunin (see the Editorial in *EIR*, Dec. 25, 2009). The *Express* report on Yakunin’s vision bears repeating:

“Vladimir Yakunin, the president of state-run Russian Railways and Prime Minister Putin’s closest confidant, said his ambition was to connect more than half the planet by train.” He said American investors had already approached him about boring a 64-mile tunnel under the famous Bering Sea that separates Asia and North America. “With new rail links planned through Alaska and eastern Russia, the tunnel would help enable freight and passenger trains to run from the U.S. to London on uninterrupted tracks. . . . Yakunin said he had been negotiating with potential partners from around the world to trigger a ‘renaissance of railways.’”

Commenting on the Yakunin statement, Lyndon LaRouche said it represents an obvious extension of what must be done, in the aftermath of the defeat of the British imperial agenda at the Copenhagen Climate Change Conference. “Such a worldwide rail link,” LaRouche said, “running from Eurasia to Africa, through Europe, and into North and South America, would define a new conception of cooperation among sovereign nation-states. It would represent one global economic process which would be a giant step toward solving the present crisis of

humanity. What we are looking at, with the moves toward upgrading of cooperation between China, Russia, India, and the United States, is a real global reform. It is a revolution in economy and statecraft. We will be uniting continents in the common economic interest of nation states. This is the real alternative to globalization.”

An Invitation to the U.S.A.

A review of late-2009 government documents and press from Russia’s Far East regions demonstrates that officials there are indeed planning for the Bering Strait crossing. The review by *EIR* also highlights that Russian leaders are eager for the United States to join in the real physical economic development of the country’s northeastern frontier.

The invitation to invest in the Far East, and not only for oil and gas extraction, was clearly stated by a Kremlin representative to the Russian-American Pacific Ocean Partnership (RAPOP) forum, held on Sakhalin Island, at the end of September. That event took place in the same time frame as LaRouche’s Oct. 10 address on the urgency of Four-Power (U.S.A., Russia, China, and India) cooperation to initiate a new world credit system, delivered to the 7th Dialogue of Civilizations conference in Rhodes, Greece, which Yakunin co-hosted, and the following week’s breakthrough agreements between Russia and China. Signed Oct. 13, during Prime Minister Vladimir Putin’s visit to Beijing, the Russian-Chinese package includes Chinese direct investment in Russian high-speed rail lines and port infrastructure in the Far East.

The 14th annual RAPOP forum was held Sept. 29-30,

2009, in Yuzhno-Sakhalinsk, capital of the island Sakhalin Region, off the Pacific coast of the Russian mainland, and north of the archipelago which is Japan. Under the headline “Investment Projects in the Far East Can Breathe New Life into Russian-American Relations,” a Sept. 30 Federal Press (fedpress.ru) wire reported statements made there by Alexander Levintal, Russia’s deputy presidential representative to the Far East Federal District, who enunciated the invitation to the United States and American businesses to be part of Russia’s economic development of the Far East region and Siberia.

Levintal said that Sakhalin oil and gas projects have kept some level of Russian-American economic engagement going in the Far East (an Exxon subsidiary operates the Sakhalin-1 offshore project), but now, wrote Fedpress.ru: “He said this cooperation can achieve a qualitatively new level through the participation of American business and investments in the major investment projects, being implemented under the government strategy for developing the Far East of the Russian Federation. ‘Investments of \$8 billion annually are going into development of the Far East, but American investments are mere hundreds of millions of dollars. This is not the proper level for cooperation between our countries.’

“We have a historic opportunity to change the situation which has taken shape over the recent period, and to breathe new life into the RAPOP. American business could invest not only in hydrocarbon extraction, but also aircraft and shipbuilding, space programs (Cosmodrome Vostochny is planned for construction in the Far East), telecommunications, and so forth,” stated Levintal.” *Vostochny*, meaning “eastern,” is the name of the new space launch facility Russia is building on the site of the former military site, Cosmodrome Svobodny (see *EIR*, Sept. 28, 2007, “Space Industry Cluster in Russia’s Amur Region,” for a Russian presentation of the full potential of this project, given at a Schiller Institute conference on the Eurasian Land-Bridge).

The potential of these industries, Fedpress.ru quoted Levintal as saying, could “breathe new life into the development of Russian-American cooperation in the Far East of the Russian Federation, using the unique opportunity of the restart, declared by the Presidents of the U.S.A. and Russia, with a new content.”

Russian Deputy Foreign Minister Sergei Ryabkov also attended the RAPOP meeting of 100 government, business, and academic people from seven western U.S. states and eleven eastern Russian regions. From the U.S. side, Levintal’s speech was also heard by Kyle

Scott, who is director of the Russia Department at the State Department, and a Department of Commerce representative, as well as Thomas Armbruster, the American Consul General in Vladivostok.

Sakhalin Gov. Alexander Khoroshavin delivered a similar message to Armbruster in a separate meeting, according to a Sept. 29 Interfax-Dalny Vostok dispatch, headlined “Sakhalin Governor Proposes to American Business To Invest Money Not Solely in Developing Sakhalin Shelf Projects.”

In November, Khoroshavin happens also to have met with Russian Railways head Yakunin, during a visit by the latter to Khabarovsk. A press release from the governor’s office said that Yakunin had pledged to support the Sakhalin government in promoting the project of a multimodal bridge or tunnel connection between Sakhalin and the mainland. On Dec. 18, Russian Presidential Representative for the Far East Federal District Victor Ishayev (the former Khabarovsk governor, who, in November of 2000, sponsored a report on the need for government-sponsored infrastructure projects to kick-start the Russian economy) told reporters that he, too, advocates the Sakhalin-mainland tunnel project as “economically beneficial and appropriate.” Said Ishayev, “This simply has to happen,” adding that the main highway from Khabarovsk city to Khabarovsk Territory’s ports of Vanino and Sovetskaya Gavan should also be extended to Sakhalin.

Ishayev went on to call for pursuing the additional project to link Sakhalin with Hokkaido, Japan, as well as with the mainland, by full rail connection, which “will make it possible to attract Japanese freight being shipped to Europe and Asia.” It is on Ishayev’s staff that RAPOP speaker Levintal works.

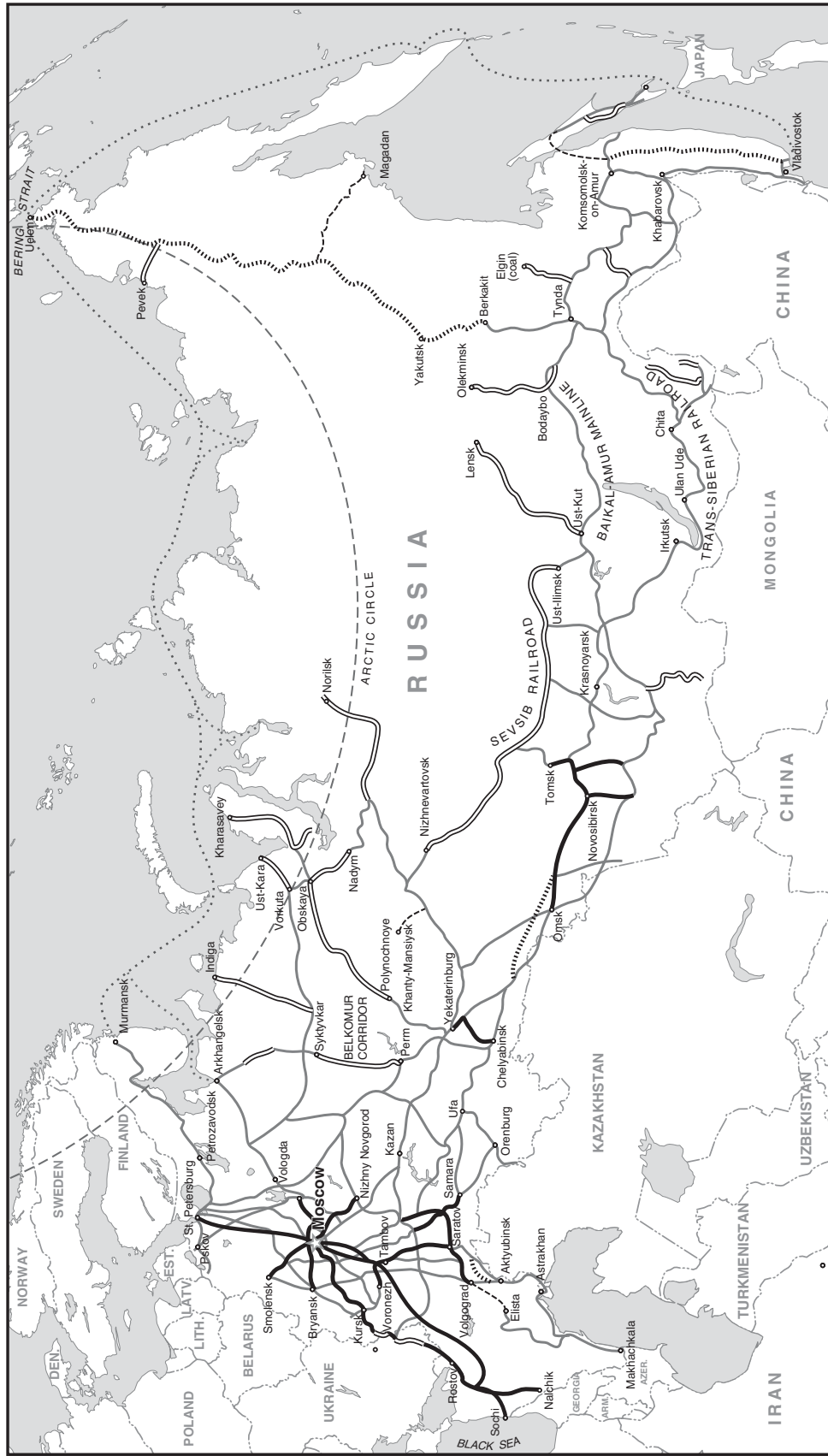
Eastern Regions Plan for Bering Strait Railroad

The Magadan Region, famous for its gold mines and brutal prison camps in the mid-20th Century, is situated on Russia’s Pacific Coast—north of Khabarovsk Territory and south of Chukotka, the province on the western side of the Bering Sea. The Territorial Planning Scheme for Magadan Region, publicized Sept. 9 by the Advis.ru agency, includes the Bering Strait project as follows:

“The Magadan Region Territorial Planning Scheme takes into account the strategy for the development of both the Far East and Russia [as a whole]. It includes, for example, such a ‘megaproject’ as the Transcontinental Railway BAM-Yakutsk-Uelen [where BAM stands for

FIGURE 1

Planned Russian Railroad Development to 2030



- Existing railroads
- Planned high-speed rail corridors
- New freight railroads
- New railroads of strategic importance
- New railroads of social importance
- Northern sea route

Our map of Russia's rail plans was drawn in 2007, based on the Russian Railways map "Prospective Configuration of the Russian Federation's Rail Network Development to 2030." At that time, the existing Khabarovsk-Vladivostok railroad was not slated to become a high-speed line. Now it is one of three routes, projected as areas of Chinese-Russian cooperation on high-speed rail development, agreed upon in October 2009; the others are Moscow-Sochi (on the Black Sea) and Moscow-Nizhny Novgorod. Also in 2009, the federal government and Yakutia-Sakha Republic financed track-laying on the Berkakit-Tommot-Yakutsk segment of the rail line running north from Tynda on the Baikal-Amur Mainline toward the city of Yakutsk on the Lena River. This is the beginning of the planned "strategic" railroad to the Bering Strait.

Baikal-Amur Mainline], with a line through Magadan Region and a tunnel across the Bering Strait to Alaska—a project which has been included in the Russian Federation Transport Strategy for the Period to 2030, and which is viewed by the Russian and U.S. Governments as the greatest infrastructure project of the 21st century. In the long term, completion of this Transcontinental Railway to Alaska will make it possible to diversify the raw-materials orientation of the Magadan Region's economy, with the creation in the city of Magadan of a new, multi-modal transportation node, through which freight flows connecting Canada and the U.S.A. with the Pacific nations will pass. This means the railway, first and foremost, but also a role for Magadan Region in a Transarctic Air Corridor, connecting America, Southeast Asia, and Australia by the shortest routes; and it means the development and rebirth of the importance of the Port of Magadan on the Sea of Okhotsk.”

On Dec. 25, Yakutia24.ru carried a year-end feature on the operations of the Republic Investment Company (RIK) of Yakutia-Sakha Republic, the huge East Siberian region which reaches up to the Arctic Ocean, based on an interview with its director Alexander Fedotov. It reported that the first leg of the planned northern rail line, the segment from the existing BAM up to the city of Yakutsk, is already under construction:

“The RIK [in 2009] spent almost half the funds they invested—10 billion 535.4 million rubles [about \$350 million], to be precise—on a project of strategic importance not for our republic alone: construction of the railroad line Berkakit-Tommot-Yakutsk. Despite the world crisis and other upheavals, the builders have already laid 266 km of track, built 45 railroad bridges, moved [about 29] thousand cubic meters of earth for the roadbed, and cut 2564.6 hectares of right-of-way through the forest.”

RIK's total investment in this part of the project will be 14.8 billion rubles out of the 49.4 billion rubles cost of construction. The RIK also financed design development for the rail bridge across the Lena River. The bridge itself will cost 50 billion rubles and be financed under the federal program Development of the Russian Transport System.

The Yakutia24.ru article continues, “As is well known, the Strategy for the Social and Economic Development of the Far East and Baikal Region to 2050 calls for construction of the railroad to continue in the direction Yakutsk (Nizhny Bestyakh)-Moma-Magadan.... And then the idea of building an underwater tunnel across the Bering Strait in the not too distant future already

seems less fantastical. At a certain point, it will suddenly become clear that our Yakutsk is sitting on the most economically advantageous route from Europe to America. And among those who will have brought this almost unbelievable moment closer, with their labor, the Republic Investment Company will have to be counted.”

Even in the area of recreational adventure trips and among car enthusiasts, the reality of the Bering Strait rail line is catching on. The Russian auto site Kolesa.ru carries a press release announcing a new type of snow tire: “The Cordiant Polar 2 has been chosen by the organizers of the Polar Ring expedition for use on the fourth leg of the expedition, which will take place between the end of 2009 and 2011. The route of this leg of the polar expedition traces that of the future major railway line from the banks of the Lena River to the Chukotka village of Uelen on the coast of the Bering Strait: Yakutsk-Pravaya Lena-Zyryanka-Uelen, and then will cross the Bering Strait, pass along the coastline of the Alaska and Canada archipelago and end at the Canadian village of Resolute Bay.”

Putin Visits the Far East

Prime Minister Putin was back in the Far East at the end of the year, on a two-day visit to the Vladivostok region, to discuss key economic development sectors. He first went to Nakhodka, northeast of Vladivostok, to launch the East Siberia-Pacific Ocean (ESPO) oil pipeline system, at the oil-loading Pacific seaport Kozmino. Putin then led a meeting on regional development, with a focus on Russian shipbuilding projects in two Primorye port cities, based on cooperation with South Korean and Singaporean companies.

The ESPO system is being built to ship oil from western and eastern Siberian fields, to the Far East and Asia Pacific. The first stage of the project, the 2,500-km Tayshet-to-Skovorodino pipeline (inside Siberia) and the Kozmino port, have been completed on schedule, despite the economic crisis. The new oil terminal will export oil to Japan, China, and Korea. Currently, oil is being shipped from Skovorodino to the port by rail, until the final sections of the pipeline are completed in the coming years.

On Dec. 29, Putin took part in the launch ceremony of the Sollers auto assembly plant in Vladivostok. The plant, a joint project of Russia, Italy, Japan, and South Korea, will produce cars, RVs, and SUVs, as well as a variety of heavy-duty, construction-related vehicles, including dump trucks, tractor trucks, and concrete mixer trucks for the Russian Far East and the Pacific Rim region market.