

our eyes to the stars, preparing to colonize Mars within the century ahead.

Vital Infrastructure Projects

Since the United States has been in a state of infrastructure deficit since the mid-1960s, the most crucial question in devising a plan for issuing public credit is, where should the investment most productively be applied? The Army Corps of Engineers regularly puts out a survey of the nation's infrastructure needs, and has identified projects that would amount to nearly \$2 trillion. Some prioritization is obviously needed.

Lyndon LaRouche, the economist with an unmatched track-record of forecasting and mastery of economic science, has answered that question by specifying two crucial areas: 1) transportation systems, especially high-speed rail; and 2) power systems, with an urgent focus on nuclear power. Without the massive upgrading in productivity which investment in these two areas will cause, the U.S. cannot jumpstart a real recovery. We are already suffering insane bottlenecks in both these areas, which waste valuable manhours—among other destructive effects—and, when we actually return to physical economic growth, the shortfalls in electricity and transport will be even greater. Note, just in passing, that the most modern train system in the U.S., between Washington, D.C. and New York, recently ground to a near halt due to a *power shortage*. What a wake-up call!

Projects in these areas of transport and power should be identified for every state of the union, LaRouche argues. Federal credit will be issued for the projects, which will employ the CCC workers directly, but also issue contracts to private enterprises that will do the support work required for the jobs. Given the way in which the manufacturing sector of the U.S. economy has been deliberately taken down, there will be a premium on reopening and retooling factory facilities, which will undoubtedly require the kind of improvisational, creative approach that characterized the Second World War mobilization.

It will also be necessary to bring skilled engineers, machinists, and others out of retirement, in order to train the next generation of workforce. Our entire economy, oriented as it has been to “greening,” and post-industrial services, has left our nation tragically short of the skills required to make the necessary investments, but, as we, as a nation, have shown before, this can be overcome under the proper leadership.

IV. The Four Powers

U.S. Must Join China, India, and Russia

by Ramtanu Maitra

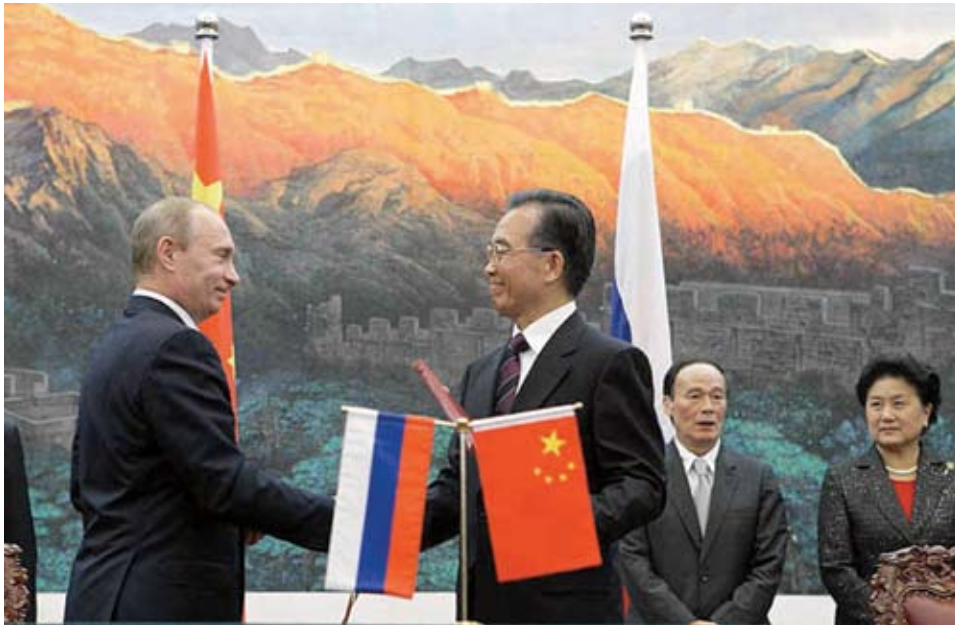
“We need an immediate treaty-agreement, among the United States, Russia, China, and India, and other countries which are relevant in that area, first. We have to do what was done, in a limited way, in the agreement between China and Russia, most recently, in October. Because that’s the beginning, that’s the pattern. India must be included; Southwest Asia must be included; Southeast Asia, particularly, must be included.

“So, now, we start a development program. The United States must subscribe to this and become a partner in its operation. Then we have enough power, to change the direction of the planet. And that is the way we’ll solve the problem of the United States.”

—Lyndon LaRouche

In the midst of the global financial collapse that began in 2007 and continues to throw hundreds of millions of families around the world into a state of despair, the strengthening of cooperative relations among Russia, India, and China has shone through like a beacon of hope. These three large nations, encompassing the Eurasian landmass that constitutes more than half of the world’s population, have forged a triangular alliance, developing stronger economic ties and a regional web of security relations. Russia is at the forefront of such efforts, and Russian Prime Minister Vladimir Putin is credited for instituting trilateral dialogue among China, India, and Russia which is shaping a new reality in the Asia-Pacific region.

This collaboration challenges the British colonial and imperial policies that dominated the last four decades, particularly the post-1950s Cold War period, both economically and strategically. However, victory cannot be achieved without the participation of the United States, which, under President Obama, has remained in a state of denial, and is still pursuing the British-instituted free-trade policy that has dismantled much of America’s manufacturing capabilities, and



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The developing collaboration among the three great powers of Eurasia—Russia, China, and India—challenges the British imperial policies that have dominated the region for the last four decades. Here, Russian Prime Minister Putin and Chinese Premier Wen shake hands on the accords signed in Beijing in October 2009.

ushered in the culture among the business community of the generation of money through illicit operations, including production and proliferation of narcotics, to keep the financial institutions alive.

Lyndon LaRouche has long pointed to the economic potential of the Asia-Pacific region, and the necessity of using the most advanced technologies to exploit its huge mineral reserves, as well as the necessity of building infrastructure projects such as the Bering Strait tunnel, which would expand Eurasian projects into intercontinental ones. In addition, the extreme weather and geological conditions of much of this huge region present useful scientific challenges. As LaRouche has emphasized, it will be necessary to achieve a Four-Power agreement (Russia, India, China, and the United States) to dump the bankrupt current financial system, to ensure that there is credit for such development.

Russia-China Interdependence

The triangular alliance among Russia, India, and China began years ago, and it took a few years to consolidate. It became evident in the last quarter of 2009, that these three large and powerful nations have decided to shelve their political disagreements and join hands to

counter the forces against economic development. This phenomenon became evident at conferences of the World Trade Organization, where the free traders tried to impose British colonial-style regulations, and at the Copenhagen Climate Change Conference in December 2009. At both these global fora, China and India refused to give in to what they rightfully perceived as anti-people, anti-sovereignty policies. In addition, the restraining role of China and Russia at the UN Security Council, and of India, outside of it, prevented further isolation of Iran, and possibly of an air attack against that country.

A breakthrough occurred on Oct. 13, 2009, when a large package of bilateral agreements was signed during Russian Prime Minister Vladimir Putin's official visit to China, most of them covering key areas of economic cooperation. Among the highlights of the agreements signed that day in Beijing were one for Russia to help expand China's Tianwan nuclear power plant in Lianyungang, and a more advanced technology: the first-ever Russian export of two sodium-cooled breeder reactors to China. Prior to this, during President Dmitri Medvedev's visit to China, Russia had signed a \$1 billion deal to build a uranium enrichment facility in China and supply low-enriched uranium for use in China's fast-growing nuclear power industry over the next decade.

The Chinese, in turn, contracted to participate in vital high-speed rail construction in the undeveloped, underpopulated regions of eastern Russia.

LaRouche, who had been at the center of promoting such agreements, noted that these deals represent a significant step toward his concept of a new world credit system, based on investment of high-technology infrastructure development, especially within underpopulated interior regions of Eurasia. The deals broke out of the typical raw-materials-for-consumer goods model, and focused on technological collaboration to the ben-

efit of both nations. The fact that the Chinese, with the world's largest dollar reserves, were putting their money to work creating such real wealth, also represented a breakthrough toward the credit-system concept LaRouche has been promoting.

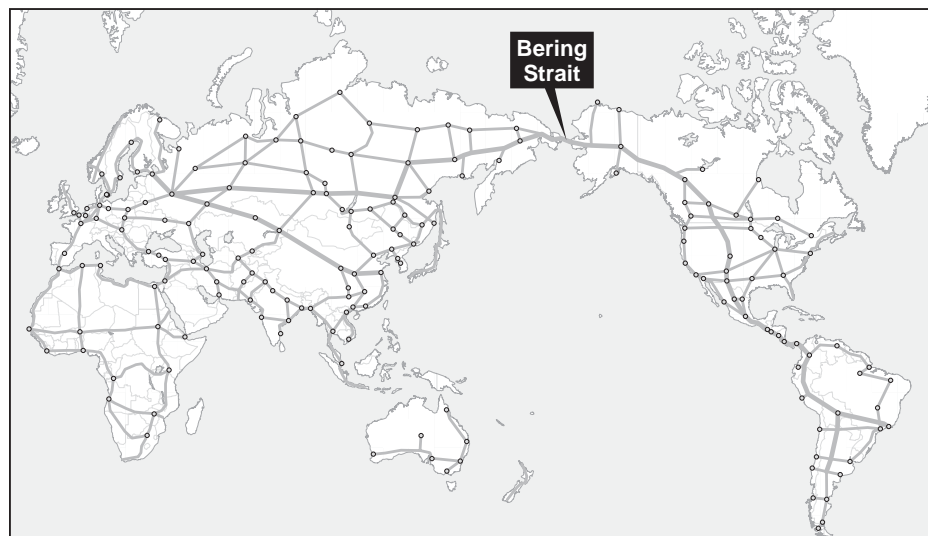
The *People's Daily* reported Oct. 13, that 5 of the 12 agreements whose signing Putin and Chinese Prime Minister Wen Jiabao witnessed, were in the energy sphere—on oil and gas, but also nuclear power cooperation. Other key areas are transportation and aerospace. (Nearly two dozen more agreements were signed by Russian

and Chinese companies at a simultaneous Business Forum.) In Putin's delegation were Russian Railways CEO Vladimir Yakunin and Andrei Perminov, head of the Russian space agency Roskosmos. (See *EIR*, Oct. 30, 2009.)

Yakunin and Chinese Minister of Railways Liu Zhijun signed a memorandum of understanding on "organizing and developing high-speed rail service on the territory of the Russian Federation." According to AK&M news, the routes specified for cooperation on high-speed rail are Khabarovsk-Vladivostok (in the Russian Far East), Moscow-Sochi, and Moscow-Nizhny Novgorod (the latter two are in European Russia). They were already planned in the Strategy for the Development of Rail Transport in the Russian Federation to the Year 2030, which was adopted in 2007-08, and which includes a rail line to the Bering Strait and a potential tunnel to Alaska.

While the Bering Strait project—which Lyndon and Helga LaRouche have prominently promoted in Russia and the United States as part of Eurasian Land-Bridge project—had been slowed due to the Russian economic crisis, it now appears to be back on the agenda. This was also signalled by a prominent interview given by Yakunin to the London *Sunday Express* in late December, where he highlighted Russia's interest in linking the two hemispheres with a rail corridor, which would eventually permit a trip from London to New York by train.

The Eurasian Land-Bridge: Proposed Links to a Worldwide Rail Network



Russia-India Nuclear Milestone

Another milestone in strengthening of bilateral relations among the three, occurred during Indian Prime Minister Manmohan Singh's recent visit to Russia. On Dec. 7, he signed a broad-based agreement with Russia that will ensure transfer of technology and uninterrupted uranium fuel supplies to its nuclear reactors, and inked three pacts in the defense sector. "Today we have signed an agreement which broadens the reach of our cooperation beyond the supply of nuclear reactors to areas of research and development and a whole range of areas of nuclear energy," Singh told a joint press conference in the Kremlin. He described the nuclear deal as a "major step forward in strengthening our existing cooperation in this field."

After the summit, Russian nuclear energy agency Rosatom head Sergei Kiriienko told reporters that Russia could eventually supply up to 20 nuclear reactors to India. "We will build a total of six reactors at Koodankulam, another four to six reactors at the new site in West Bengal, and may well get a third site to build still more reactors," Kiriienko said. He specified that, as per India's request, the additional four reactors Russia will set up at Koodankulam will be of the same VVER-1000 type as the two units already installed at the plant, whereas for other sites, Russia may supply the next generation reactors of the VVER-1200 type that produce 1,200 MW



J. Craig Thorpe/Cooper Consulting Co.

The Bering Strait rail-tunnel project, connecting Wales, Alaska and Uelen, Chukotka, Russia, has been a key component of the LaRouche-proposed Eurasian Land-Bridge for two decades. It is now at the top of Russia's agenda, as signalled by Russian Railways CEO Vladimir Yakunin, in an interview with the London Sunday Express in late December.

of electricity.

The nuclear pact with Russia goes far beyond India's agreement with the United States, which calls for the termination of ongoing nuclear cooperation, and for the return to the U.S. of equipment and fuel already supplied to India, in the event of the nuclear agreement being terminated. Russian President Medvedev made it clear that Russia will not accept any foreign-imposed restrictions on its nuclear cooperation with India. Asked whether Russia would continue unrestricted nuclear cooperation with India despite the G8 resolution restricting the sale of reprocessing technologies to countries that have not signed the Nuclear Non-Proliferation Treaty, Medvedev said: "That [resolution] does not change anything in our cooperation. It has a great future."

Russia-India bilateral relations, within the gamut of the triangular cooperation, got another boost when, on Dec. 23, it was announced that Russia will help India build a manned spaceship, to send an Indian astronaut to space under a ten-year cooperation program. New Delhi had asked Moscow to share with it the technologies to build such a spacecraft for India's manned mission to be undertaken in 2015. The spaceship would be modeled after the Russian Soyuz craft, but it would be smaller to match the lighter Indian boosters. "It is not surprising that India has turned to Russia for help in its space program as we have been cooperating since the 1980s. Our new program will

extend to 2020," Alexei Krasnov, chief of the Piloted Programs of Roskosmos, told reporters.

China and India: Solving Knotty Problems

While Russia remains the initiator in bringing about power-transport-technology relations between among these three nations, China-India relations have begun to gel as well. Beside the border disputes, which have kept these two countries embroiled over many years, one of the difficult aspects of broadening the China-India relations was the similarity of the strengths of both nations. While Russia has a very high level of scientific capabilities and the most advanced space and nuclear sectors, which both China and India can benefit from immensely, it is short of manpower, and needs technologically skilled labor from both China and India to develop its eastern part and provide mineral reserves to the vast populations of China, India, and the Eurasian landmass in general.

On the other hand, both China and India are short of mineral reserves and electrical power. Both have large populations, but their scientific and technological skills at the highest level are about the same. In other words, there is no one area where either of the two would get a significant boost by receiving help from the other. Moreover, China, being an export-oriented manufacturing nation, while India is not, the annual trade imbalance between the two is a nettling issue.

However, both nations have begun to overcome these difficulties and are in the process of working out



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Among the agreements reached between Moscow and Beijing, was a contract engaging the Chinese to participate in constructing high-speed rail lines in the undeveloped, underpopulated regions of Russia's Far East. Shown: A French-built CRH5 high-speed train in Beijing's Shenyang Railway Station.

benefits in cooperating with each other in the areas of security and broad-ranging global issues.

At the same time, some similarities between India and China are helping their bilateral relations. For instance, neither country has engaged in colonial expansion, so their past does not breed antagonism to each other. Even the 1962 border war, and the Chinese security relationship with Pakistan, which long embittered Sino-Indian relations, are a far cry from the legacy of colonial conflicts.

Further, China is creating entente in South Asia to recognize India's *primus inter pares* position in the region. China's changed stance on Kashmir, its scaled-down nuclear cooperation with Pakistan, and its shelving of Islamabad's request for an upgrade of its observer status on the Shanghai Cooperation Organization, are substantial steps taken by China to improve its relations with India.

The process has begun to bear fruit. For instance, in November 2007, to further boost their security relationship, China signed a civilian nuclear cooperation

deal with India. Although Sino-Indian nuclear cooperation is not of the same magnitude as the Indo-Russia nuclear agreements, the deal helped India surmount the hurdles at the 45-nation Nuclear Suppliers Group (NSG) in 2008, for such key supplies as nuclear fuel.

In addition to the fact that China has replaced the United States as India's *numero uno* trading partner, India and China have started preparations to mark 60 years of diplomatic ties next year.

President Pratibha Patil, who played a key role in bringing about the breakthrough in the Russia-India relations signed in December, will be visiting China in April. There is already a perceptible move to improve the atmosphere. India's ambassador to China, S. Jaishankar, in an address at Sichuan University in China, set the ball rolling by listing New Delhi's expectations from Beijing and asking: "What are Indian expectations of China at this stage? I would sum it up as displaying sensitivity on what matters most to In-

dians, while accepting that we cannot agree on all issues just yet. . . It is important as well to keep reminding ourselves that India and China continue to have a substantial convergence of interests."

Almost simultaneously, Wang Yaodong, South Asia bureau chief of the Chinese newspaper *Wen Hui*, wrote in an editorial: "India and China have to cooperate. There is no way out. There are global and multilateral issues on which the two countries have to cooperate and not let differences interfere in the main momentum of bilateral ties." This is in line with what the Prime Minister Singh told the Indian captains of industry last January while he was visiting China. "India has no option but to engage China and give China a stake in India," he said. He called the growth of both countries "an international public good," adding that "at a time when the world is worrying about global recession, sustained growth in India and China can help the world economy." He said his message was that working with China was "a historic necessity."

Russia-India-China Need the U.S.

There is no doubt that Russia is actively pushing Sino-Indian relations in the direction of mutual amity for the benefit of all. Russia continues to command India's utmost confidence, a fact that is rooted in the long and friendly Indo-Russian history of military, space, and nuclear cooperation. Their past relations have been reaffirmed since Moscow's emergence under Putin and Medvedev, to put Russia back on the world stage. As a result, contemporary Russia, after a long pause, is expanding its technological and eco-

nomics reach into India. In turn, India is eyeing Russian help for developing its decayed infrastructure and to ensure security on this troubled Eurasian landmass.

However, it is also evident that active participation of the United States with these three powers will be of crucial importance for defeating the British Empire. The collapse of the dollar system, which British-dominated policies will ensure, will create devastating chaos internationally, from which none of the three Eurasian powers will be immune. In addition, the three powers

The North Korea Bottleneck: A Four-Power Solution

The picture provided in this package of the Asian nations cooperating with one another, to a degree unprecedented in recent history, is marred by one glaring hole—that of the continuing crisis over North Korea. But a solution is in sight.

The crisis began with the Bush/Cheney Administration in 2001, when North and South Korea were well on the way to building economic bridges—especially the successful start to rebuilding the North-South rail connections which eventually would have completed the Eurasian Land-Bridge, from Busan to Rotterdam. Secretary of State Colin Powell was committed to continuing the successful agreements reached among the U.S., South Korea, and North Korea, under the Clinton Administration, whereby International Atomic Energy Agency inspectors in the North oversaw the mothballing of the nuclear weapons program; a safe nuclear power plant under construction with international supervision; and other economic and cooperation between North and South. This was all scrapped by Bush and Cheney; and the North proceeded to build a nuclear weapon in response.

Now, Secretary of State Hillary Clinton has overseen a revival of the U.S. policy of engagement, with U.S. special envoy to North Korea Stephen Bosworth visiting Pyongyang in December. Meanwhile, Russia and China have continued building the necessary

preconditions for integrating the Korean Peninsula into the broader Eurasian development perspective.

Russia has proceeded in building a rail link from the North Korean port of Rajin to Vladivostok, while China is building a new bridge over the Yalu River into North Korea, with road and rail connections to North Korean ports on the Sea of Japan. The northern Chinese province of Jilin is planning to use the North Korean port at Rajin to ship goods from the Chung-hun-Jilin-Tumen economic development zone, and develop the region into a modern industrial and agricultural base.

In August, Russia's envoy to the Far East District, Victor Ishayev, said, in regard to Russia's efforts in North Korea, that the South Korean government "is very pleased with the position of Russia, which shares South Korea's position and supports their actions. They are ready to participate in the tripartite cooperation we offer." He said that North Korea does "not object" to the ongoing plan to run a gas pipeline through North Korea to the South, nor to the Trans-Korean railway project, although the projects will not proceed immediately. "The economic interest pushes them to cooperate," Ishayev said.

North and South Korea are also taking steps to solve the imbroglio. The North issued a New Year's message stating: "The fundamental task for ensuring peace and stability on the Korean peninsula and in the rest of Asia is to put an end to the hostile relationship between North Korea and the U.S.," adding that a lasting peace and a "nuclear-free Korean peninsula" could be obtained "through dialogue and negotiations."

—Mike Billington

require the unique contribution of the American System of economics, for creating a fixed-exchange-rate *credit* system, that will fund collaboration in the great projects required to bring the world out of its deepening physical economic collapse.

The so-called RIC countries (Russia, India, and China), especially Russia and China, have repeatedly emphasized their desire to collaborate with the United States, in building a new world system based on sovereign nation-states, and in extending their collaboration to other nations as well.

The trilateral dialogue among Russia, India, and China has already brought about a sea-change in the investment policies and general outlook of the most pro-American nations in the Asia-Pacific—Japan and South Korea. Japan, having invested heavily in the United States and Europe, is now keen to invest more in China and India, than in Europe. South Korea is also looking for investment in the Eurasian landmass, and when the Four-Power arrangement comes together and

ensures security and develops basic infrastructure in the region, it is a certainty that both Japan and South Korea will quickly establish industrial bases in those areas.

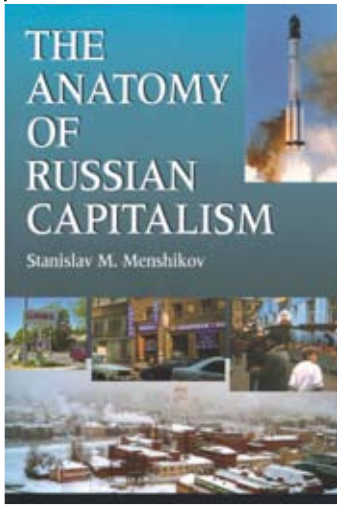
The RIC countries have also begun to invest in a big way in Southeast and South Asia. These investments have been made in a number of sectors, the most important of which are ports, roads and railroads, nuclear power plants and nuclear research reactors, and mining and manufacturing facilities. China, in particular, and India have invested widely, while Russia has centered its investment in the nuclear sector. This development is particularly striking, since during the Cold War days, the Southeast and South Asian nations shied away from any investment offered by Communist China and the former Soviet Union.

But this collaboration desperately needs the United States. Despite the sharp decline of the United States as an economic power and as a power that was trusted around the world, still the U.S., combined with Canada, is the second-richest region in the world in energy resources, after Southwest Asia. The country possesses vast resources of natural gas, about 90 years' worth, as well as a well-developed nuclear power sector.

In addition, the United States has demographics on its side. Most developed nations, including Japan and South Korea, are encountering a problem of shrinking population. One report indicates that by 2050, Germany, Japan, and South Korea could approach having twice as many people over 65, per capita, than the United States.

Moreover, the United States remains the world's agricultural superpower, with the most arable land on the planet. With another 3 billion people expected to be born by 2050, and with a policy that befits its Constitution, the U.S. will be in a position to feed most of the new arrivals.

In reality, there is no way to assure a decent future for any American, without the United States joining in the development dynamic now active in Eurasia, and making major investments in everything from railroads to nuclear power plants to transmission lines, water systems and basic skills training—investing in the future of the nation and the planet. All that's required is for the world's premier anti-imperial nation, the U.S., to join the battle to defeat the British Empire once and for all.



This English translation of the work of Russia's authoritative economist, Stanislav Menshikov presents a critical analysis of the complex economic processes in Russia over the last 15 years.

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