

Russian government to revive Baikal-Amur Siberian railroad

by Rachel Douglas

China's serious work on the New Silk Road component of a Eurasian land-bridge has spurred the Russian government to consider the rescue and upgrading of the Baikal-Amur Main-line (BAM), the second, northerly Trans-Siberian railroad (see **Figure 1**). Twelve Russian government ministries and agencies took part in a Jan. 6 meeting, chaired by Deputy Premier Oleg Lobov, on the future of the erstwhile "project of the century."

The 4,300-km BAM was the largest construction project of the Brezhnev era, built between 1974 and 1989, with sporadic work done on it thereafter. It was never quite completed, and rails, pilings, ties, and other elements of the physical plant have even been carried off from sections that fell into disrepair, for sale as scrap, according to reports in *Sovetskaya Rossiya* in October 1995.

The BAM is a special case of the decay of Russia's infrastructure. "Not so long ago," *Izvestia* recalled in a Jan. 9 article, "Russian railroads carried almost half the freight in the world. Since 1988, rail shipments have fallen more than twofold. For the BAM, this meant multi-billion losses."

Izvestia's front-page headline was: "Rebirth of the BAM—Another Utopia, or a New Bridge to Asia?" The article, by Yuri Nevezhin, pointed out that at present, the century-old Trans-Siberian Railroad and the BAM, even though the latter is not working at full capacity, "are essentially the only land route linking the Euro-Atlantic and the Asia-Pacific regions."

Veteran Russian China-watcher V. Ovchinnikov, in a November 1996 commentary in *Rossiiskaya Gazeta*, analyzed how the southerly land-bridge routes will complement, rather than detract from, the Trans-Siberian. Nevezhin, however, portrayed the two routes as competitive alternatives: "The 'Russian track' between West and East is considered one of the shortest, and potentially more economically efficient, freight routes. Last year in New Delhi, at the conference of the UN Economic and Social Commission for Asia and the Pacific, the transport route through Russia was called preferable, by comparison with the re-creation of the 'Great Silk Road' through Kazakhstan, Central Asia, Iran, and Turkey."

Such "either-or" thinking notwithstanding, Russia also has a packed diplomatic schedule with China, and those discussions are weighted in the direction of economic cooperation. For some sectors of Russian industry, the potential Chi-

nese contracts are cast as a last chance for survival.

Agreements were concluded during high-level Russian-Chinese meetings, and more meetings are in the works: First, Vice-Premier Aleksei Bolshakov attended the bilateral inter-governmental commission for trade, economic, scientific, and technical cooperation, which met in Beijing in December; Prime Minister Li Peng visited Moscow later that month; and, there is the forthcoming Sino-Russian summit, when President Jiang Zemin will come to Moscow this spring. Bolshakov, speaking to journalists Dec. 12 after the commission meeting, emphasized cooperation in the energy sector, and reported that he had delivered to Li Peng a Russian government message, on "state support" for a Russian consortium's bid to participate in the Three Gorges Dam project.

According to *Rossiiskiye Vesti* of Dec. 11, Russian officials hope to increase trade between the two countries by the year 2000, to the level of \$20 billion per year, from the current level of \$7 billion. The priority areas are defense industry conversion, new technologies and materials, transport and communications, and aviation. One project calls for building oil and natural gas pipelines from eastern Siberia to northern China. Under another, finalized by Bolshakov, China will produce Russian-designed Su-27 jet fighter-bombers, an arrangement that Valeri Mikhailov, head of the Russian government staff's defense industries department, terms "very much needed," in view of the state of Russia's defense industries.

A geopolitical dimension

Interviewed by Itar-Tass on Jan. 8, Foreign Minister Yevgeni Primakov called the development of relations with Asian nations, especially China, his most important achievement of 1996—and, a correction of "the 'tilt' toward the West which had emerged in the past." Russian media, using Primakov's phrase as endorsed by President Boris Yeltsin, portray relations between Russia and China as a "strategic partnership for the 21st century."

Ovchinnikov's latest commentary, appearing in *Rossiiskaya Gazeta* of Jan. 15, added more geopolitical overtones. He exemplified the tendency in Russian opposition circles to revive the enemy image of the United States, a line of thinking that is fueled whenever U.S. officials push the destructive "market reforms" as representing progress for Russia.

Moscow's rapprochement with China, Ovchinnikov

FIGURE 1
Russian Federation: rail routes



wrote, reflects “Russia’s natural reaction to the geopolitical changes following the Cold War that ended in the Soviet Union’s collapse. . . . The world was immediately faced with the hegemonic ambitions of the one remaining superpower. While verbally welcoming Russia’s turn toward democracy and a market economy, the United States is actively contributing to this process basically only as far as dismantling the former U.S.S.R.’s military potential is concerned. . . . At the same time attempts are being made to portray the Chinese economy’s success as a threat to its neighbors, in order to isolate China in Asia and hinder its growth. . . . In this new geopolitical situation, China is objectively becoming Russia’s strategic rear. Russia, in its turn, is becoming China’s strategic rear.”

Although Ovchinnikov comes from the Soviet-era old guard of foreign policy-shapers, the government-linked Golos Rossii radio station currently broadcasts summaries of his articles on its Mandarin-language service.

Development zone, or route for loot?

Decisions on the BAM, according to *Izvestia*, “are to be taken in the near future, in the form of Presidential decrees and government resolutions,” and are being debated at “the highest level” (in part, because of opposition from regional governors, who derive tax revenues from the current quasi-functional, unintegrated state of sections of the BAM).

“First and foremost,” *Rossiiskaya Gazeta* reported Jan. 11, “a government decree has been prepared that mentions the necessity of a federal program for developing the BAM

zone.” *Izvestia* wrote, citing government sources, that this resolution will give the territories along the BAM the status of “development” zones, with tax breaks and privileges. An Itar-Tass report Jan. 17 on the government discussions described the zone as a “special economic area” along the railway, which is to be under central government control.

The Russian reports are contradictory on costs. *Izvestia* says restoration of the BAM will “economize” 95 trillion rubles (\$19 billion), while *Rossiiskaya Gazeta* suggests that that’s what it will cost.

Besides restoration of dilapidated sections, the main unfinished link to be built on the BAM is the 15-km Severomuysk Tunnel near Lake Baikal, under construction for the past 20 years. It has been the scene of bitter experiences for the construction workers, who went on strike in January 1996 to protest non-payment of wages and miserable work conditions. *Izvestia* reported at the time, that the teams, working 150 meters underground, have 1950s- or even 1930s-vintage equipment and inadequate light. So far, 37 workers have died in accidents while building this tunnel.

In addition, the bridge across the Amur at Khabarovsk is to be reconstructed.

The impact on the Russian economy of a BAM revival is both immediate, and long term. The two main purposes envisioned for the railroad, imply two different concepts of Russia’s economic future: the BAM as a development corridor, or as chiefly a way to ship out more of Siberia’s raw materials for export. An update in *Rossiiskaya Gazeta* on Jan. 17 had the revealing headline, “The direct road to diamonds and gold.”

Deputy Prime Minister Lobov, according to a Jan. 11 *Rossiiskaya Gazeta* article, has discussed the BAM zone in terms both of employment, and of immediately available revenues from transportation tariffs:

"In Oleg Lobov's view, such a program is necessary because there has been a catastrophic increase in unemployment there during the last few years and, furthermore, freight traffic along this route has declined sharply. Each month the BAM yields losses of 150 to 170 billion rubles to the country's transport complex. It is now planned to reconstruct and retool the enterprises in this zone.

"The decree that was discussed with Oleg Lobov specifies the allocation of economic privileges to future investors. Furthermore, it determines this program's real coordinator: It will be the Ministry of Railways that, in the deputy prime minister's view, is the only organized force today. The Ministry of Railways has also formed the 'Baminvest' company. The company has already set to work: It has organized coal and copper and iron ore extraction in the BAM zone. By using its resources, the Ministry of Railways is trying to organize the work of the timber-industrial complex that is also dying in this zone. Attempts will be made to foresee the development of the BAM 50 years in advance. First and foremost, it has to be determined how many people will be living in this zone, what they should be engaged in, what deposits should be mined first of all, and whether a gas pipeline will be run eastward along this route.

"However, this project's most important aspect, and this was confirmed by the conference participants, is the fact that the BAM will link the Euro-Atlantic and Asian-Pacific Ocean regions more closely and increase freight traffic from west to east."

Interview: Vladimir A. Kozlov

The land-bridge can unite Russia's regions

Gabriele Liebig, editor of the German newspaper Neue Solidarität, conducted this interview on Dec. 14, 1996, during the Schiller Institute conference in Kiedrich. The conference, on the theme "Our Future: The Eurasian Land-Bridge Economy," was keynoted by Lyndon H. LaRouche, Jr. (see EIR, Jan. 1, 1997, p. 4). The transcript of Helga Zepp LaRouche's speech appears as this week's Feature.

Q: Mr. Kozlov, would you please describe your work in the Russian Federation Council, and what your special subject is

in that position.

Kozlov: I have been working in the Federation Council, which is the upper chamber of parliament, for three and a half years. I am assistant to the deputy head of the Committee on constitutional law and legislation; he is also the head of the constitutional legislative council of the Jewish Autonomous Region. This is a region through which the Eurasian land-bridge will be passing [see **Figure 2**.]. It is the most easterly part of the northern route of the Eurasian land-bridge project, after which the route goes through the tundra toward the north. Previously, I worked in the International Business School. And before that I was a military man, a colonel.

Q: What you mentioned about the Eurasian land-bridge is very interesting. Are you dealing with economic questions in your political work for the Federation Council?

Kozlov: I am dealing with both political and economic issues. For me, the discovery—I call it a discovery—of the program of the Eurasian land-bridge is very important. I was greatly impressed by Mr. LaRouche and his presentation. His ideas, if implemented on a global scale, can be a locomotive to promote the economic development not only of Russia and the European states, but also of the world beyond. Such a policy creates the possibility of exchange of economic ideas, of commodities, of technologies, of everything. For me, his evaluation of the processes in the world are quite new; this is the first time I have heard it. Some of what he said I knew before, but those pieces are now connected by his system of views.

I come more and more to understand that the kind of development he proposes is the most humanistic one. I regard as very important what he says about education and the transition between generations. I, and I think a lot of my compatriots as well, are very much disgusted with the mass counterculture which is imposed by TV and the mass media in general. This counterculture destroys the traditions of Russia; it promotes destruction, sexual abuse, violence. It is alien to Russian culture and damages its very foundation. That doesn't mean that I support the idea of some closed, isolated culture, but I think each culture does have a right of independent development, without something being imposed upon it from the outside.

Q: Can you report a bit about life in the Jewish Autonomous Region, in terms of culture, education, economic conditions? People here know very little about the region; many have never heard about its existence.

Kozlov: Our Autonomous Region is called the Jewish Autonomous Region. It was founded by Stalin in 1934, originally as a part of Khabarovsk Territory, on the Russian-Chinese border along the Amur River, as a result of an initiative on the part of Jewish activists who decided to organize some autonomy for their people on Russian territory. Our region is very rich with natural resources. We have all the metals of Mendeleev's Periodic Table. It is a wonderful area, with the great river Amur, and very good people who are eager to work.