Interview: Gen. Andrei Nikolayev

Russia needs FDR-type program for high-technology jobs, infrastructure

Part II of Prof. Taras Muranivsky's interview with former Russian Border Troops commander Gen. Andrei Nikolayev concludes our publication of this Oct. 19 dialogue. General Nikolayev currently leads "The Union of People's Power and Labor," one of 28 electoral blocs running in the Dec. 19 Russian State Duma (lower house of Parliament) elections.



Part I appeared in EIR of

Dec. 3. Those of Professor Muranivsky's opening questions, which are answered in Part II, are repeated here. The interview has been slightly abridged during translation.

Muranivsky: How do you define your strategic tasks, and what are your tactics? I mean all aspects: economic, political, your view of military doctrine, especially the new one, and the mechanisms for implementation of your ideas.

It is natural that today one cannot omit your opinion and attitude to the problems of the Caucasus. The recently published, 12th issue of the journal you oversee, *Rossiyskoye Analiticheskoye Obozreniye (Russian Analytical Review)*, included an interview with my American colleague, Lyndon LaRouche, who believes that the hand of Britain may be discerned in the events in the Caucasus. He emphasizes that this is a continuation of the policy of British imperialism in Russia, which began in the 19th century under Palmerston. Wellknown British circles, and their henchmen in the United States like Zbigniew Brzezinski, use the Wahhabites as cannon fodder.

I would also like to ask you about your resources and media access. Finally, it would be of interest to know your thinking on the present economic crisis. What is your strategy for an exit from the crisis? How do you assess the Russian crisis overall? What part is our own fault, and what is due to outside interference in our affairs? Do you think that Russia is one link in the world financial and monetary crisis, which is afflicting the planet for the third year now? . . .

Does Russia need a President?

Nikolayev: For a transitional period, absolutely. That means ten or fifteen years. The personification of power is very great in Russia, which means that you want to be dealing with a specific person, and you won't be satisfied with some wellworn notions that somebody off somewhere is making some decisions. No—you want to know: That's the person who has organized everything. Let's elect a normal person, and let him organize things. We can approach a parliamentary republic gradually. The situation will have ripened for a parliamentary republic, when we have two parties that are indistinguishable from each other, like in America or Germany, rather than 300 parties and movements.

Muranivsky: Sociological polls show that 70% of the population is disenchanted with these reforms, the market economy, and the effectiveness of an unregulated market, and they are leaning more and more to the left. But, only 20% of them believe in the Communists. How do you see this, Andrei Ivanovich?

Nikolayev: It is understandable. But, let me first answer you with a question. You are a Doctor of Philosophical Sciences. Tell me, please, do you like working on philosophy?

Muranivsky: Of course.

Nikolayev: Tell me, then, if you could work on philosophy, give your intellectual product to the people around you, and receive from society all of your material and intellectual requirements, would that suit you?

Muranivsky: Quite.

Nikolayev: That's communism. And if we ask anybody, "Who is against that?" nobody would be. As many people as there are on Earth, they will all dream about communism. Whether Yeltsin or Gaidar likes it, or not, people will dream about that. We live in the present, though. Dreams are fine, but we have already proclaimed that this society is good. How am I to live in it today?

We say that socialism means an actual, socially oriented society, in which a person has the right to earn what he needs to live. The state creates the conditions for him to do this. The Americans, incidentally, have had this kind of socialism for a long time. You may go to America and say that America is a capitalist state. They'll ask you where you got that idea

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from. If you go to Germany, and say that the F.R.G. is a capitalist state, they'll tell you: This is a German state, so we have German society. There, 38% of the GDP belongs to state companies and 32% to joint-stock and collective enterprises, for a total of 70%. That is plainly a socialist state. They live the way it suits them. Therefore, when we talk about the socialization of relations, there is simply no other path in the world.

If our goal is to create a socially oriented society, then society must be united for that goal. We say that there should be state property in the Russian state. Who in Russia took it into their heads to hand out the railroads, the unified electricity grid, nuclear power production, and a lot of other things? We can say for sure, that this is state property. Remember what [Paul] Samuelson, the bard of market reforms, used to say: "There should be as much of the market as possible, and as much of the state as necessary." He did not say anything about the need for an "unbridled" market, like what Gaidar and his collaborators created.

We were told that the market would be self-regulating. But, tell me one social formation in the whole world, one society or one nation, where there exists a totally free market. Such a thing cannot exist. If you and I are taxpayers, we hire a state, which sets rules, first and foremost for state property, and functions as a state proprietor. Certain ownership relations are established for collective, joint-stock, and cooperative property, as well, including with private owners. The only criterion for relations among them is the efficacy of management. Those who work most effectively, should be preferred.

What does Nikolayev propose? I propose to put the President at the head of the executive branch. We should have not four branches of power, but three: executive, legislative, and judiciary. Our President is a man unto himself — a tsar, located off to the side. I propose to have a cabinet of ministers under the President, rather than a government of the Russian Federation as the current Constitution prescribes. Thus, the President would be the head of state and the head of the executive branch of power.

I propose to have five types of commercial entity in Russia. The first type would be 51% state-owned. The second would be 26-33% state-owned. The third type would be one in which controlling ownership was in the hands of private Russian or joint-stock collective capital. In a fourth type, a controlling block of shares would be entrusted to Russian private collective joint-stock capital. The fifth level subsumes any other composition of capital. It should be clearly defined, who is responsible for what. It's actually very simple: Adopt the relevant law, and the matter is decided.

Muranivsky: How do these types of commercial entity differ from those that exist today?

Nikolayev: In the degree of state influence. If the state has majority control, it determines the policy, based on state secu-

rity interests. It can raise the resources for specific purposes, like, say, the railroads. Rail transport in Russia will never be privatized, because it is the main system of arteries for building our economy.

Muranivsky: Andrei Ivanovich, permit me to make some comments in this connection. I completely agree with you, respecting the privatization of systems like railroads. In my view, this would be the latest crime against the state, in the array of many actions carried out by the Russian reformers to destroy Russia's economy and its security. Here, we are not living by our own wits, but are repeating the mistakes of Western privatizers, especially Margaret Thatcher, who managed to privatize many key branches of industry, including rail transportation. The private owners' cost-cutting on maintenance and repair of the railroads has caused many accidents, the most recent one being the Paddington Station crash near London on Oct. 5, in which many people were killed. Some sectors have already been un-privatized, but the railroads remain in private hands. Russia, meanwhile, is continuing the policy of robber privatization. It is important to put a stop to this tendency today, harmful as it is for the country.

Nikolayev: Of course! A lot depends on the legislative branch of power, which determines credit and investment policy, the system of taxation, fees, and customs payments. Take the recent experience the United States had with steel. Our steel began to be sold on the U.S. market, where it was cheaper than American steel. Congress immediately ("a free country," "a free market"!) passed an anti-dumping law. Our people said: What's this? What about the free market? You can't do this.... They replied: No, we have to keep American workers fed, not feed Russian workers.

I think the real way out of the situation lies in the timely passage of laws to defend our own country's people and security.

As for your question about the Caucasus: Of course, there is outside influence on the Caucasus events. But we need not look for guilty parties abroad. You pose the question of domestic responsibility, as well as foreign influence. You know, a functional country can be subjected to interference, but it cannot be destroyed.

If there is a world financial and monetary crisis, of course, it affects us, as well. Our country is no longer closed off behind some "iron curtain," and our domestic market does not satisfy all the needs of Russia. In the Soviet Union, in the mid-1980s, domestic production provided 90-95% of needed industrial products, and even 100% of some goods. Except for some types of grain, agricultural requirements were 80% covered by domestic production. Today, however, Moscow is 62% dependent on imported food. Russia as a whole is two-thirds dependent. For industrial products, the level is 50%. That means it is difficult to consider ourselves a completely sovereign state today. Of course, countries all over the world trade and exchange goods. But we, today, are incapable of

providing for ourselves. We don't feed our own workers, creating jobs.

Muranivsky: On the contrary, we are destroying jobs. Nikolayev: They have already been destroyed. The country is producing only 38% of what we produced in 1990.

I would prefer not to answer your question about the mass media. I would say that there are essentially no independent mass media in Russia today.

Muranivsky: There aren't any, anywhere.

Nikolayev: I agree. Nowhere. In my view, however, the regional and local media are the most objective, paradoxical as that may sound. Regional television, radio, and print publications like newspapers, magazines, local papers, are rather closer to people and enjoy greater degrees of trust. Our analysis shows that the confidence level in [national] Channel 1 in the regions is only half the level of confidence in local programs. It's about the same for NTV. That should be kept in mind. Thus, we emphasize regional and local media, believing this to be a more promising approach. It's impossible to get on the air in Moscow even for big money, and it's absolutely useless.

Muranivsky: I asked about the 70% of people who do not trust the existing market system, of whom only 20% trust the Communist Party of the Russian Federation (CPRF). You answered in general terms, that people believe in communism. What do you have to say about the CPRF, as such? Nikolayev: One must distinguish between rank-and-file members of the communist movement, who I think are quite worthy people, and the CPRF leaders, who enjoy some people's trust, while doing nothing for them. Think about it: People go out to the rallies and demonstrations every time, and they go home again, no closer to solving their problems. I think that essentially all the political organizations now active on the Russian political scene have outlived their time. If they had been able to accomplish anything during that time, they would have done it, but they did nothing.

Muranivsky: You said very little about Chechnya. Therefore, I would like to ask you to evaluate the actions of federal troops in Chechnya, the creation of the cordon sanitaire, and so forth.

Nikolayev: I would simply caution against the idea that everything will be simple in Chechnya. Even if Russian troops are stationed on the territory of Chechnya, that will not be the end of the story. Just as the story in the Balkans has not ended. There are peacekeeping forces in Kosovo. So what? Is there peace in Kosovo?

Muranivsky: They have asked for another contingent to be sent, but that will not likely solve this acute problem.

Nikolayev: I explain this quite simply. At the beginning of our conversation, I mentioned the relationship between military force and the tasks it is able to decide. I believe, for instance, that the Americans failed to accomplish their real political aim, when they committed aggression against Yugoslavia. They behaved about like this: Something hurts, put some salve on it. But the Balkan illness is rather more complex. [Chairman of the Joint Chiefs of Staff Gen. John] Shalikashvili came to visit me, when he was in office. During our exchange of views, I said, "There is no Kosovo problem. There is a Balkan nexus, which includes questions connected with Kosovo." Particular problems cannot be solved, that is, without solving the general ones. We are witnessing an endless redivision of Yugoslavia. The next phase is ripening, when Kosovo will become independent (with American support—it will come to that sooner or later). Then, Montenegro. No doubt there will be some possibility for a group of Islamic states to form. Then Albania and Kosovo could unite, creating new, big problems. And, there is Muslim Bosnia.

Muranivsky: My colleague LaRouche looks at this problem in a broader way. He says that the bombing of Iraq, the Kosovo events, the Chechen problems, the India-Pakistan conflict, and many other problems are links in a single chain, tied up in one nexus. That this is an Anglo-American imperialist policy, which has neo-colonialist and other destructive goals. This policy has targetted Russia. How do you see such an evaluation?

Nikolayev: It's very simple. I know Brzezinski's book *The* Grand Chessboard, which made a splash in the West. There are answers there to many questions, concerning Russia. Upon reading that book, in the original, I could go back to the history of this question in the early 1960s. We could go back to the end of World War II, to the Dulles plan. These are links in a single chain. There are two strategic tendencies in America (I would not want to look separately at England). One is a consistent drive for the dismemberment of the Soviet Union, or Russia—this well-known plan, which Brzezinski lays out. The second sees Russia as a powerful partner, a politically and economically strong state, which serves for a balance of power. You see, there was a system of balanced opposition in Europe, codified in 1945 by the Potsdam Agreement, and in 1975 at Helsinki. A system had been formed. Then, presto! One part disappeared. But the piston had to keep moving, didn't it?

Look: I put my two hands together, and each hand is pushing against the other. If I rapidly take one hand away, the second hand plunges into the place from which the palm of the other hand was removed. Do the Americans really not calculate the consequences of the destabilization they are carrying out? The Europeans, the Asians? Nobody wants destabilization.

You and I have discussed periods of 15 and 25 years, and we discussed the entire century. This is a serious policy discussion, after all. You mention 19th-century fonts of British policy. But there are documents, which the Foreign Office has not yet published, from the 17th and even the 16th century. Britain has no allies, only permanent interests.

Muranivsky: And the British Commonwealth exists with its colonial interests, as it existed then.

Nikolayev: Therefore, when we talk about the Americans, who among them is really miscalculating? What kind of chaos will they get, if Brzezinski's plan is implemented?

They are already running into these problems. In Iraq and other places, including the Balkans, they are rehearsing the wars of the future. They are practicing for wars without casualties, where they protect themselves from physical losses, using their enormous advantage in information technology. These are the wars of the future. Russia's lag behind the Americans in military affairs is now 15 to 20 years.

Muranivsky: We had roughly equivalent military-technical capabilities. Things are worse now, but is it really by that much?

Nikolayev: Things are significantly worse. I tell you, we are 15 to 20 years behind.

Muranivsky: Including in the military-technical area?

Nikolayev: Of course. Russia cannot build a fifth-generation aircraft, without the participation of other countries. We have invested no money in basic scientific research for the past ten years, we have no good engines, and not enough electronics. In the Soviet period, we were already purchasing some of our electronics.

This is the truth, and it must be known, if we are to remain among the major world nations. This status is determined not only by nuclear weapons. It is defined by science, technology, materials, and the final product of system-forming industries. It is not determined by whether a country has natural gas, oil, or land. It is defined by the ability to produce a final product. We are lagging behind.

Muranivsky: As a civilian, I must say that your statement surprises me.

Nikolayev: I can tell you more: We have no Army. You and I touched on this question today, when we were talking about the Armed Forces of the Soviet Union. That was a system. Then, it was split up into 15 pieces: the fingers torn off, a hand torn off, an ear torn away, an eye gouged out. Do you think, within the framework of the tasks currently facing Russia, that anything is being done to restore the Army? No. We have as the proclaimed goal of military reform (or, "military reform" in quotation marks, because it is no military reform) to be the optimization of the Armed Forces in correspondence with the financial and economic capabilities of the state. According to Nikolayev, the goal of military reform should be the creation of Armed Forces capable of carrying out the tasks set by the politicians, in the North, Northwest Europe, Eastern Europe, Southeast Europe, Central Asia, and the Far East. That is how the goal of military reform may be formulated.

Reform ought to encompass at least four areas. The first

is a change in the management system—military command and the management of military questions, economics, politics, and other components of this sphere. The second is a system of procurement, which is a fundamental question. The third area is the system of training and education. The fourth question is the supply of new equipment and weapons. These four questions comprise military reform, and none of them has been solved in Russia.

Reform has been reduced to cuts. Incidentally, there can be cuts, in the context of military reform, or there can be reform without cuts. This is not an obligatory element of reform.

Muranivsky: I have a question on foreign policy: How do you see the statements that have been made about a Russia-China-India strategic triangle?

Nikolayev: There is not going to be a unipolar world, no matter what. There must be other centers of strength. China is a huge country, and not only in population. Why shouldn't Russia, in this situation and as a major Asian country, seek partners in the East? I think it would be not at all bad to build normal relations with China on the basis of what has been done with India. Not as a counterweight to America, but as a counter to the threats that exist in the world at large.

Muranivsky: Why not as a counterweight? What if this is necessary, to restore the balance that was upset after the collapse of the U.S.S.R.?

Nikolayev: I'll tell you. A stable Russian policy, as the policy of a nation, should have a reliable base. As an image—it ought to be something like that table there, which stands on four legs. A Russian policy oriented only toward one country, say, America, will be unstable. It will be like a one-legged table. A one-legged policy. If we orient toward America and China, for example, we will be trying to stand on two legs, but we need to stand on four.

Muranivsky: Why four? Maybe it will be stable on two legs, like a person or a kangaroo?

Nikolayev: But, as concerns having a policy, we should understand very well that active participation in European politics is a special feature for Russia. There is one country there, upon relations with which the question of whether or not Russia will be secure depends. That is Germany. If Russia and Germany have proper relations, there can be no situation that creates danger for Russia in Europe. The Germany-France balance is also important.

Turning to Asia, the key country is China. If Russian-Chinese relations are properly constructed, with everybody's interests taken into account, there will be no country in the world that could create a dangerous situation from the Asia side. As a balance—Japan, or India. India is likely closer in this situation, not because we think less well of Japan, but Japan has had a military security treaty with the United States since 1945.

On a global scale, America is the key country. Everybody knows how important it is to have normal relations with that country. The fourth leg is the countries directly adjacent to Russia: the post-Soviet space, Norway, Finland, the Baltic countries, Poland, and so forth. Those are the four legs, the four anchor points for a Russian policy.

Muranivsky: I would like to give you one of my recent articles, "It Is Possible To Solve the Crisis with One's Own Forces. Without IMF Assistance," in which I analyze the bold social and economic experiment, undertaken by Malaysian Prime Minister Mahathir bin Mohamad to overcome the crisis in his country. Under a barrage of criticism from ill-wishers and even enemies, he dared to come out against the powerful financial speculators and international institutions that have looted his country, and he has already achieved some success. This article appeared in the weekly *Ekonomicheskaya Gazeta* in September. I think that it would be useful for us to study the Malaysian experience.

Nikolayev: Malaysia overcame the crisis. And we shall overcome it. The main thing must be job-creation. Remember, how Franklin Roosevelt led America out of the crisis. The top priority was high technologies, which became the take-off point for American industry. The second was the construction of social infrastructure: roads, bridges, railroads, housing. Millions of people can be employed on such projects.

The Way Out of The Crisis

A 90-minute video of highlights from *EIR*'s April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: Wilhelm Hankel, professor of economics and a former banker from Germany; Stanislav Menshikov, a Russian economist and journalist; Schiller Institute founder Helga Zepp-LaRouche from Germany; Devendra Kaushik, professor of Central Asian Studies from India; Qian Jing, international affairs analyst from China; Natalya Vitrenko, economist and parliamentarian from Ukraine.



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1-888-EIR-3258 (toll-free). We accept Visa and MasterCard. **Muranivsky:** That's true. To give people work. Some people criticized President Roosevelt back then, for using socialist methods. But, he pursued his policy, successfully and under the law. America overcame the crisis, by concentrating not on the social costs, but on the general welfare.

Nikolayev: What's the problem? What a country we have! We don't have to move people around, just to create conditions for them to come and work.

Muranivsky: In Moscow alone, there's no end of work to be done. There are decrepit apartment buildings and streets to repair. And look at what could be done in agriculture. Instead of creating conditions for normal work, we've had the legalization of unemployment, even stipends for the unemployed. Crop farming and animal husbandry are in ruins, dumped onto women's shoulders, while drunken men wander around the countryside, proud of being unemployed.

Nikolayev: There is one more key question, in that connection—the key to everything. That is, an hourly wage. Not a minimum wage, but a minimum hourly wage. It just needs to be defined. For a skilled professional, 100 rubles an hour, i.e., \$4 per hour. If you need a menial laborer, then you have to hire him for at least 25 rubles an hour. What does this give us? It will give us 35 billion rubles in straight tax revenues, at a 20% tax rate. Imagine! A year and a half of Russia's current budget, through taxes alone. On the other side, it will give a family with two working adults approximately 5,000 rubles per month. This is a completely different level than what we have now. You'll say: Andrei Ivanovich, there won't be enough goods for them to buy. But if people buy goods, it will be necessary to produce them. And the buyer will also work.

It's a different strategy. The strategy of produce-sell-buy-produce should replace the strategy that says "spend less, live more modestly, live within our means."

Muranivsky: We don't need to cut spending, but to spend more rationally, for a purpose, and, most important, productively. The production of new material, intellectual, and cultural values will not only compensate the expense of production, but will bring supplemental revenues.

Nikolayev: Spending must be increased! Roosevelt, again, said: "In order to get out of the crisis, we must live better." He was told, "We'll go bankrupt!" He replied, "No! People will buy, and then you'll produce." In order to earn, a person goes to the factory, to work.

Muranivsky: True enough. I agree. But the slogan "Enrich yourselves!" is known here in the Bukharinite sense, and has become associated in Russia, as well as worldwide, with parasitism. Virtually legalized, unconcealed speculation, especially currency speculation and other refined forms of usury, the narcotics trade, tax evasion through the use of off-shore zones and numerous methods for laundering dirty money—

all of these are pathways to enrichment through tricks and thievery. There is no place here for investment in production, since it is possible to make money out of thin air. Today's rich men are proud of it. In Roosevelt's time, and long before him, there were other parasitical tendencies. They were one of the main causes of the crisis in the 1930s, known in the West as the Great Depression. When Roosevelt said, "Live better," he meant it in the sense you do, Andrei Ivanovich, in presenting your programmatic strategy, "produce-sell-buy-produce."

Nikolayev: There is another of Roosevelt's sayings that we adopted, which may be rephrased like this: "Russia should buy abroad, only what it cannot produce itself." There was a time when Americans generally said: We won't drive European or Japanese cars, we'll only drive American cars, because we produce those cars. That's their psychology. We, however, walk around in American clothes—that's our psychology. This shows what respect we have for our own producers.

Muranivsky: Andrei Ivanovich, what would you like to say in conclusion?

Nikolayev: Political and economic life today is multi-faceted: There are communist viewpoints, liberal viewpoints, socialist and social-democratic viewpoints, and various views of economic systems. Some recognize communist state property, state management and planning, while others look to private property and economic levers. We take into account the difference between state property and private property, and between state planning and market planning. What do we propose? State strategic planning and forecasting, state property, economic levers, private property, joint-stock property, collective property. That is the whole scheme of things. We should create a general plan, like the Americans and the Japanese and the Germans. . . .

Muranivsky: The way de Gaulle did.

Nikolayev: As de Gaulle did in France. State property, which defines our security, economic levers, which flow from state planning and strategic forecasting, and private property, functioning within that framework. We reject the adoption of any single model. We recognize a totality of models.

Muranivsky: You reject extremes?

Nikolayev: We won't find a way out, from extreme radical positions. Who, today, is going to deny the need for collective property, or joint-stock property? Nobody. Who is going to deny the need for private property, where it is the most effective form?

Muranivsky: Many thanks for this interesting and substantial discussion. I am happy that our views coincide in many areas. The most important is that we believe our problems can be solved with our own forces.

Manic Blair reveals Britain's real agenda

by Mary Burdman

British Prime Minister Tony Blair's claims to galactic supremacy are being challenged—most notably by the governments of France and Germany, but also within Britain, and even the Labour Party itself—and, typically, Blair is plunging into a flight forward. Reacting like a brat stung by the pointed questions of a knowing peer, Blair bragged shamelessly of his "inner knowledge," and, in a speech in the City of London on Nov. 22, he revealed the inner workings of the modernday British-American-Commonwealth bloc.

Blair cast away all the myths of Britain as a post-imperial nation living out its quaint heritage, and his remarks show that "cool" Britannia is actually the highly manipulative world power-broker, that *EIR* has consistently documented it to be. Britain, Blair said, is a "pivotal power . . . that is at the crux of the alliances and international politics which shape the world and its future," sitting at the center of such international institutions as the Commonwealth, the United Nations, NATO, and the Group of Eight, and also proud host of the world's largest financial center, the City of London.

Yet, despite his boasting, Blair has had a particularly galling time recently. The week of Nov. 15, there was an open challenge to his "invincibility" in British politics, coming from the more traditional wing of his Labour Party. The opposition Conservative (Tory) Party—which had been vanquished in the May 1997 elections by Blair, economic collapse, and its own rampant corruption—had been re-asserting itself, as the disastrous results of "New Labour's" own economic policies were exposed, especially by the Paddington Station train disaster of Oct. 5. Now, suddenly, the Tories have been hit by one scandal after another, leading party chairman Michael Ancram to accuse the government of running a "dirty tricks" campaign and creating a "climate of fear" in Britain.

Even worse for Blair, there is a growing reaction against his disastrous "Third Way" policies, both economic and political, among other European leaders. Led by French Prime Minister Lionel Jospin, a Socialist, they stopped the British Prime Minister in his tracks at the Nov. 20-21 summit of Western leaders in Florence.

Blair, immediately upon returning home from Florence, went to the banquet of the Lord Mayor of the City of London, to re-assert his status as supreme ruler of the universe. The City of London has found Blair to be a most useful tool for their interests so far; it remains to be seen how long he will remain so.