

sia off from significant foreign investment and made substantial long-term investments of any kind virtually impossible. Russia has collapsed to the point that even so-called oligarchs require a certain consolidation of the central state and economic base, to continue operating. Furthermore, without a speedy consolidation, including a certain modernization of the aging military-industrial complex, the prospect of Rus-

sia's return to world power status in the foreseeable future drop rapidly to zero.

In this context it is relevant to note, that the show of patriotic fervor, put on by Chubais, Boris Berezovsky, and certain other members of the group labelled as the oligarchs (even as they engage in internecine cat-fights among themselves), as well as large sections of the mainly oligarch-controlled Rus-

## LaRouche: the blunders of Western strategists

*During his campaign webcast of March 23, Democratic Party Presidential pre-candidate Lyndon LaRouche took the occasion of a question from Prof. Stanislav Menshikov, on the eve of Vladimir Putin's election as Russian President, to make a statement about the lethal failures of Western policy toward Russia, and how it should be changed. The exchange is excerpted, here.*

**Menshikov:** . . . Now, we are having an election this Sunday, and we're going to have a strong President for a change, instead of Mr. Yeltsin. A strong, energetic, and young President. Now, apart from the economic proposals that Mr. LaRouche has made toward Russia, this big conference on economic and financial issues, what are your positions, Lyndon, on some of the issues of foreign policy that are worrying our whole nation and the President, of course, our future President, and that is basically on the expansion of NATO, number one, on the Anti-Ballistic Missile Treaty, number two, on the Chechen military situation, number three?

**LaRouche:** Well, first of all, the key problem here is that we have an attempt to turn back the clock of history, to the conditions before the 15th Century in Europe. That is, to go back to what was then the feudal system, which would be called in modern terms a system of radical free trade, and of globalizations.

Now, the intent has been, and was stated explicitly by George Bush and others in 1989 and on, to establish a "New World Order," which is an order of globalization. This means, of course, also to destroy the capability of Russia's restoration to a position as again a world power. Or, China's position as a world power. China is essentially not a world power, it's a regional power, but it has a potential, way down the line, as a powerful nation-state, to become essentially, partly a world power.

So, the problem here essentially is the prohibition of the continued existence of nation-state economies. Now

this problem reflects itself in the current rise of deep resentment, especially since the last Balkan war, which is really still ongoing, and since the attacks by mercenary forces directed from outside [in the North Caucasus], by the same people around Bush and Jimmy Goldsmith who ran the Afghanistan war, to deploy these mercenaries, these trans-Caucasians, into Central Asia and elsewhere, to destroy essentially anything resembling what had been there under the Soviet Union. This has produced a reflex, in which Russia has instinctively drawn a line in the sand, and said, "We are not going to be destroyed." And Russia's long history as a nation instinctively creates a potential for that. At this point, the candidacy of Vladimir Putin, the Acting President, becomes a rallying point in the minds of many for saying, "No further. Stop it."

NATO should have been dissolved after the '89, '91 events—there's no legitimate reason for it. You now have a situation, in my view, in which the relationship between Belarus and Russia, puts Russian troops on the border against NATO troops on the Polish border. This is a nightmare for Poland, it's a nightmare for all of Europe. Obviously, NATO should have been dissolved. And a new organization, based on cooperation as a diplomatic organization, to coordinate military relations, should have been established instead, to enable the transition to the economic recovery of Russia and other countries under the new conditions. That was not done.

My view on how this should be approached in practice is, I say that you take Russia, China, India, as three key nations in Eurasia which have a certain historic relation to each other, you combine that with a continental Europe based on Germany, you look at the vital economic and national-security interests of continental Europe, in particular centered around Germany, and you look at the economic problems which go with these interests—you would say the sane world is one in which the President of the United States, the key leaders in Europe, including Germany, Russia, China, India, would sponsor an international emergency conference to deal with the breakdown of the present international financial and monetary system, to do as was done, in a sense, in 1944, in that precedent, to create a new monetary system using the best lessons of experience from the 1944-58 period, plus and minus. And we could put something together fairly quickly.

sian media, in connection with the second Chechnya war, contained an unmistakable element of cynical calculation. On the one hand, there has been a real closing of the ranks in Russian society, against what is perceived as acute economic, political, and strategic threats to Russia's very survival; and Putin enjoys broad support in all layers of the population for having drawn the line in Chechnya and elsewhere. On the

Under those conditions, to establish a new monetary system that would be workable, which would do what the Marshall Plan and what the old Bretton Woods system did, in Western Europe for example, to do that, would mean we would have to restore to full authority, the principle of the sovereign nation-state. Because without the ability of nation-states to regulate and create credit, and to create long-term agreements to stabilize the prices of currencies and so forth, to stabilize low-cost interest rates, it will be impossible to reconstruct the world from the present catastrophe which is about to strike it. So, I think the whole thing has to go together as one package, that we have to understand among ourselves first of all, before we get to that point, that *that's where we should go*.

### **A New Bretton Woods conference**

We should recognize that the crisis as it's onrushing should be accepted by everyone as a signal that in this case, I'm right and they were wrong. This system is not going to survive. It's coming down, and it's coming down *now*. We can either be sane, and recognize that and react accordingly, or we can be insane, and continue the way we're going now. If we're sane, we're going to say: Russia, China, India, people in Europe and the United States, are going to call an international conference of nations to replace the old Bretton Woods conference, an emergency conference to put the present system into bankruptcy reorganization, and set into motion the kinds of measures we should have learned from the postwar period of economic reconstruction, particularly the first 20 years' period after World War II. And learn from the pluses and minuses of that period exactly what we have to do, but this time, bringing the majority of the human race, as typified by Russia, China, India, and adjoining nations, into the management of the new system, so there's true equity.

I think that's the strategic perspective we must adopt, and I would hope that in the case of the Russian elections, that Europeans, people in the United States, would look at the crisis, and look at Russia, and take the Russian election campaign as a signal, and also the Taiwan cross-strait China crisis being orchestrated, take these as signals that the time has come to do this. If we do that, then I think the strategic issues, the foreign policy issues, can fall into place.

other hand, as has repeatedly occurred in history, the oligarchical enemies of the nation-state often attempt to ride on waves of national patriotic sentiment, and to try to maneuver themselves into a position, where they can brand any opposition to their policies as treasonous.

From the standpoint of the new "national liberals," the perception of an outside threat can provide a short-cut to imposing the particular sort of "strong state," including harsh austerity measures, which their policies require. But that implicitly proto-fascist, "Roman" notion of the state has nothing to do with the kind of creative leadership a nation needs, to carry out a successful, science- and technology-based economic mobilization.

### **The fallacies of German Gref**

Late last year, while Putin was still Prime Minister, he caused an unusual institution called the Center for Strategic Projects to be set up, "to prepare recommendations to the government" on a comprehensive range of issues, from economic policy to the framing of a new set of moral and social values for Russia. Perhaps for election reasons, the Center was not officially connected with the government, nor publicly financed, but has been sponsored privately by large companies, including Gazprom, Chubais's United Energy Systems, and others. Nevertheless, as Center director Gref emphasized in a recent interview, all economic legislation and measures of the government were being sent there for checking and "corrections." Gref furthermore agreed to the characterization of the Center as an equivalent, in terms of formulating a powerful new state policy, to the famous Kurchatov Institute, where the Soviet atomic bomb was developed.

The Center is located in Alexander House, a modern building originally constructed for "oligarch" Alexander Smolensky's Stolichny Bank. Soon, Putin's election campaign staff moved into the same building, on the floor above the Center. The same Alexander House is also home to the Effective Policy Institute of notorious psychological profiler and expert on mass manipulation, Gleb Pavlovsky. Formerly a student and collaborator of the late Yevgeni Gnedin, son of the infamous Anglo-American "Trust" agent Alexander Helphand Parvus, Pavlovsky was an important figure in dissident circles, through which the liberal economic ideology was introduced into the Soviet Union. In the 1990s, he developed close relations with the U.S. Republican Party's International Republican Institute, and was a pioneer in the use of the Internet in Russia.

Pavlovsky also advised the Yeltsin family in critical periods, carrying out a number of media dirty tricks on their behalf. He boasts that he was part of the "conceptual" process of deliberation, which led to the selection of Putin as Yeltsin's successor. In the later phases of Putin's Presidential campaign, Pavlovsky emerged more and more openly as a key adviser to the campaign, finally taking credit for the decision for Putin not to issue any program (for a program, Pavlovsky argued, would only alienate potential voters and narrow his