

Russia: Dark Age, or recovery as Eurasia's keystone economy

by Rachel Douglas

What happened to the economy of the Russian Federation during the 1990s, you see in **Figure 1**. It is a mirror of LaRouche's "Typical Collapse Function." It compares the growth of the state debt since 1990, combined foreign and domestic, with the collapse of the core sector of a modern economy — machine tool production. The process of looting of the productive powers of the economy, expressed by the upward flight of the debt curve, against the demolition of "the brains of profit," the machine-tool sector, has sent the world's second biggest nuclear power — Russia — into a Dark Age.

Lyndon LaRouche warned that this would happen, back in 1989-91, when he offered the Productive Triangle policy. Three short pieces of film footage will remind us of what LaRouche said at the outset of this dismal process in Russia, and will show why Russia and the other countries of the former Soviet Union need to be part of a New Bretton Woods and the Eurasian Land-Bridge reconstruction policy.

The first film was aired on U.S. national television on Jan.

28, 1992, by LaRouche's Presidential campaign. The second is excerpted from a documentary made in 1994 by Stanislav Govorukhin, titled "The Great Criminal Revolution"; it is a glimpse of the Africanization of Russia that was under way, nearly five years ago, less than two years after the beginning of the so-called "reforms." Mr. Govorukhin, a famous Russian actor and director, is also a member of the State Duma, the Russian parliament. You will see his interviews with Russian nuclear scientists, some doctors, and children — the brothers and sisters of the child-soldiers of Uganda and the child-prostitutes of Thailand — who are taking part in the free market economy in far eastern Russia. The third film, is a snippet from another LaRouche Presidential campaign broadcast, from June 1996.

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Clip 1: From a LaRouche Presidential campaign broadcast, Jan. 28, 1992.

Announcer: Lyndon LaRouche — from his prison — has been developing the detailed programs necessary to integrate the former Communist nations into a new, revived European economic bloc. On his behalf, Helga Zepp-LaRouche and her representatives have extensively toured Eastern Europe, explaining those programs to high-level officials. What is President Bush's current program for the former Iron Curtain countries? He insists that they institute "free-market reforms," which means that they must open themselves to the conditionalities of the International Monetary Fund and other Anglo-American banking organizations. They must follow the policies of Harvard economist Jeffrey Sachs, for instance: devaluing their currencies, destroying what's left of their industry, throwing millions onto unemployment — all, so that the Anglo-American bankers can loot what remains.

In other words, Bush proposes to treat the former Soviet Union and Eastern bloc countries like the IMF treats the nations of Ibero-America and Africa.

Lyndon LaRouche now warns that, if there is still a danger of nuclear war, its source is the insane foreign economic policy of George Bush. LaRouche sent the following taped message, from his prison, on Dec. 28, concerning the new free-market reforms of Russian President Boris Yeltsin:

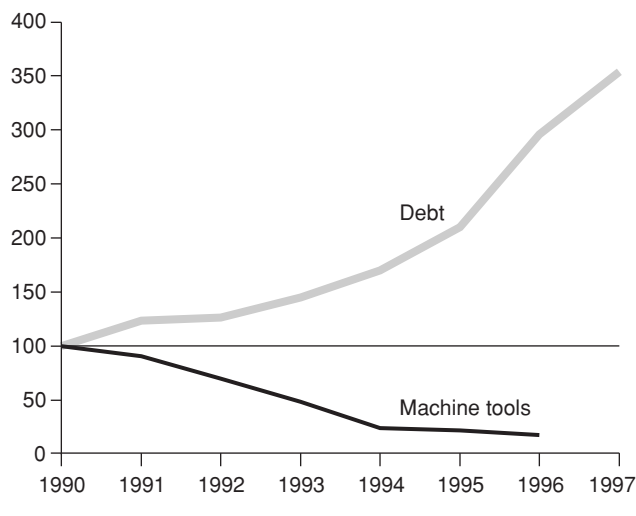
LaRouche: "If Yeltsin, for example, and his government, were to go with a reform of the type which Sachs and Sachs's co-thinkers demand — chiefly from the Anglo-American side — then the result in Russia would be chaos. In such a case, the overthrow of Yeltsin, or somebody, by a dictatorship and the restoration of a form of what is called totalitarianism would probably occur. In that case, then we have a strategic threat." (From a Dec. 28, 1991 audio recording.)

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Clip 2: From "The Great Criminal Revolution" Part III: Does Russia Have a Future?

Govorukhin: Travelling around Russia, seeing how the

FIGURE 1
Russia: bubble vs. real economy
(index 1990 = 100)



country is being robbed, we gradually realized that Russia was not simply being looted. Her future has been stolen. What are the building-blocks of the foundation of the future of any country? Science, culture, education, health care, defense, and the children. The future citizens of the country. As we raise our children, so our country will be.

[Film shows security gate] Arzamas-16. At one time, the very name of this city was pronounced with a quaver of the voice. It is the country's main nuclear center.

Scientist: "Virtually all financing of this scientific research and development has been cut. I consider this a catastrophe. We were turned loose in the market, cut from the budget. But we have no commodities, nothing we can barter with. What we are capable of doing, we cannot sell, we have no right to."

Man at microphone: "How do we live here? What's going on with science? I was trying to think of how to explain it to you in a few words, so that you might understand. We are digging graves. Our people are simply dying. It may seem strange. Our work, which is linked with various damage, has been sharply cut back. Everybody knows it. But the people have begun to die."

Govorukhin: How do the scientists live? Badly. Wages at the country's main nuclear center are less than what they are at a municipal sobering-up station. In this fairly large city, there is only one hospital.

Medical worker #1: "Yesterday I was talking to an ambulance crew. They have three ampoules of anti-inflammatory, whereas five or six ampoules are needed for helping people. Pick who gets those three, this person, that one, or that one. By evening the person will be dead. We get sanitary gloves — one set, right? If your glove tears, that's it, go in with your bare hands. This man sitting next to me is a trauma specialist. They have no bandages. Nothing."

Medical worker #2: "Our doctors have left."

Govorukhin: "Where to?"

Medical worker #2: "Into retail. They're in business, buying and selling. They are not involved in treating people or anything. People with 15 years of work experience have left."

Medical worker #3: "We don't do things the way they should be done, but depending on what we have on hand."

Medical worker #4: "An ulcer not treated today can be a cancer tomorrow. A simple ulcer today, tomorrow there are complications. So these things have to be treated, and we have to do it. We write prescriptions. The sick find the medicine. We treat people."

Govorukhin: "What about those who can't obtain or buy medicine?"

Medical worker #4: "We treat them with what we have left — with water, with affection."

Doctor with wire-rimmed glasses: "Ordinary working people do not have their medical bills paid at work; and the government has no money to allocate for them. They come to the hospital and are told they have to pay 200,000 for an

operation. They turn around and leave. And so there is appearing a class of sick people whose diseases are so far gone, that they don't even bother coming in when they should get an operation; they are the ones brought in by the emergency medical vehicles, with hemorrhaging or peritonitis, with all kinds of complications because they were not treated earlier. . . .

"Of course this is a perverted situation, because a physician has very specialized training, a high level of training. And if a person like that is looking for income somewhere having nothing to do with his profession, off on some sideline, that's perverse. Our capability to provide medical care collapses, although we do still have a reserve, a good potential. We have very good doctors — in their conscience, morality, professionalism, and self-sacrifice. The worst thing is not the poverty, but this perversion of morality in medicine."

Govorukhin: [on camera] Now we will show you pictures that personally simply killed us. Not because it was anything new. You and I have seen all of this a thousand times, all over Russia. But when you pull it all together. Furthermore, this was the ultimate goal of our journey through Russia. And so, to the railway station in Zabaikalsk on the Chinese border.

[Ministry of Security film]

Freight trains arrive here from China every day. They do ship us something. The entire city, all its residents from the littlest to the eldest are engaged in robbing the railcars. Do you see those white spots on the ground, like husks? In every courtyard, on every street, in every garden. Those are crates from imported goods off the freight cars.

This stealing peaked in the spring of last year. Now a fence has been constructed along the tracks, with a militarized guard. But the stealing continues. Looting the freight cars is the main industry of the local inhabitants. Kids have the most success. There are some real aces. Each of them makes in a day more than a nuclear physicist in a year.

Interview of children at police station: "Yeah, he got run over."

"Did you see him?"

"Half his head was gone. And no hands. They said the dogs dragged them off. Half his head. That's all they could find."

"We were drinking with him."

"Ah, were you drinking with him yesterday?"

Govorukhin: The children had come from another city. A lot of children come for three or four days to rob the freight cars.

Govorukhin: "You were drinking beer, right?"

"Beer, wine, Chinese."

Govorukhin: "Then what?"

"Then we went to bed. He was sitting there and said he didn't feel well. 'I'm going outside.' He went out and got lost. And that was it. At night the police came and took us away from there."

Govorukhin: "Do you know how to write? To read?"

[Girl shakes head]

Govorukhin: “What grade are you in?”

“First.”

Govorukhin: “First grade? How old are you?”

“Nine.”

Govorukhin: “Nine? How come you’re in first grade?”

“She had to repeat.”

Govorukhin: “What grade are you in?”

“Fifth.”

Govorukhin: “Fifth?”

“But I should be in eighth.”

Govorukhin: “Why? How old are you?”

“Thirteen. I don’t go to school. I work, in the summer.”

Govorukhin: Poor Russian children. They are also unlucky in Moscow. Maybe you think it’s fine for a youngster to wash cars on the street all day long. People say that “it’s good. The child gets used to work, from childhood.” Well, it’s the children of workers and the intelligentsia who are getting used to work like this. The children of the *nouveaux riches* and government officials go to prestigious schools. Furthermore, it’s not so harmless to wash cars and sell gas on the street. These youngsters are rapidly criminalized. They have their own rackets, their criminal bosses. They do poorly in school. . . .

All of this footage was taken in Moscow on Sept. 1, 1993.

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Clip 3: Opening footage of Lyndon LaRouche arriving for a seminar at the Free Economic Society of Russia, in Moscow, April 24, 1996.

Academician Leonid Abalkin (Director, Institute of Economics, Russian Academy of Science) [in Russian, with English subtitles]: “Our meeting today is of special interest, because we are hosting representatives of the well-known Schiller Institute. The theme which Mr. LaRouche has proposed, on behalf of the Institute, is of great interest to us. The formal title of his theme, as many of you saw in the invitation, is ‘Russia, the U.S.A., and the Global Financial Crisis.’ ”

Lyndon LaRouche: “We are in the middle of the worst international monetary and financial crisis of the century.” [End of film clip.]

‘Russia is losing its main asset — its citizens’

The level of disaster, described by the hospital staff that Mr. Govorukhin interviewed, had been reached five years ago. Things have not improved. This summer’s collapse of the speculative financial pyramid in Russia, is crashing into a landscape that is already physically devastated by five years of the so-called “reform.”

In June 1997, a conference attended by 1,700 senior Russian physicians, in Moscow, sent a resolution to the government, in which they said, “Russia is losing its main state asset — its citizens.” The death rate exceeds the birth rate, they

reported, by a factor of 1.6. That means that for every 10 people who are born, 16 people die. The population of the Russian Federation is shrinking by between 500,000 and 1 million persons per year (it varies, because of immigration).

Genocide — it’s the title of Russian economist Sergei Glazyev’s new book about the results of the Thatcher-Bush liberal economics package in Russia. Dr. Glazyev covers all aspects of the collapse, from the gutting of industrial output through asset-stripping during privatization, to the erosion of scientific manpower.

Focus, for a minute, just on the demographic process. I will quote a memorandum by Dr. Murray Feshbach, a senior American demographer who has studied the Soviet Union, and now Russia, for several decades. In June 1997, Feshbach wrote:

“I believe that, over and above the still exceedingly high abortion rate in Russia, the future ability of young females to conceive may become much more limited, due to illnesses at much younger and adolescent ages. In addition, the health status of newborns, due to serious pathologies of their mothers during pregnancy, will lead to other long-term problems. . . .

“What about the explosion in sexual promiscuity and hard drug use? If in the last five years, syphilis among 10- to 14-year-old girls . . . has increased by 30 times. . . . Chlamydia is stated to be very high. . . . How sick will these children be in subsequent years? Can they have children themselves? Will they be part of the enormous growth in hard-drug addicts, estimated from 600,000 to 6 million, if one uses the multipliers indicated by Russian medical authorities? Many of them will simply die at an earlier age.

“Ill health for the younger population, from birth to draft age, is . . . evident from the very beginning of life of newborns. Given that 75% of all pregnant women have a serious pathology during their pregnancy . . . and that rubella shots are not on the immunization calendar at all, it is not surprising that [only] 37.6% of newborns are born normally, i.e., without complications of the birth process or in the postpartum period. Alternatively, we are told that 24.7% of all newborns are born ill, more than three times the rate in 1980. . . . The increase in anemia among pregnant women, of more than three times in the last five years, probably is more a symptom of poor nutrition than anything else.

“Many reports exist that the health of children worsens over the school period; according to . . . the Presidential Commission for Women, Family and Demography, . . . only 10% of secondary school graduates have ‘normal’ health, 50% have various pathologies, and 40% have chronic illnesses. . . . One out of every three potential [military] draftees was rejected for health reasons in 1996; 15% of those drafted were underweight.”

Diseases that were under control a decade ago, have exploded inside the former Soviet Union, especially diseases associated with poverty and the breakdown of public health

and sanitation. Last month, the organization Médecins sans Frontières (Doctors Without Borders), and two other health groups, appealed to President Yeltsin for action against the spread of drug-resistant tuberculosis in Russia.

With the opening of its borders for free trade—in the absence of an improvements policy for its own agriculture sector, especially no construction of infrastructure—Russia has become 40% import-dependent for its food supply. The big cities, Moscow and St. Petersburg, are 80% import-dependent. (I have to tell you that the largest single American food export to Russia has a very peculiar name in Russian slang: U.S.-origin chicken leg-and-thigh quarters are called Bush legs!—ever since the U.S. administration eased the regulations for their sale to Russia in the early 1990s, and they flooded onto the Russian market at low prices, to the detriment of domestic poultry production.)

But, with the ruble now plunging below 50% of its recent value, and Russian importers' letters of credit not being honored, imported food is being blocked, not to mention becoming unaffordable. Russian economist Tatyana Koryagina, whose interview you can read in this coming week's *EIR* (Sept. 11), warns of imminent famine in Russia's northern regions. The *Times* of London, yesterday, carried an update on Russia under the headline, "Starvation Threatens Poorest, as Blight Rots Potatoes," home-grown, or bartered, potatoes having become more of a dietary staple than ever.

Strong-arm men for the 'free market'

Why did this happen? Please don't let anybody tell you, that the Russian government was insufficiently zealous in instituting the principles of the free market. That backsliding Communists in the Parliament tarnished the purity of the reforms. That Russian people were just not ready to handle all that freedom, after 70 years under the Soviet system.

This disaster, these crimes against humanity, occurred because of the political enforcement of an evil and insane idea: British "free market" liberalism.

As for whether the Russian regime enforced it in a sufficiently pure form, Lyndon LaRouche remarked, in his 1995 "Memorandum on Prospects for Russian Economic Revival": "Some have said that the sickness of Russia's economy was that it had failed to adapt to the principle of the more successful western market economies. This might remind us of the story of a man who went to a doctor seeking help to overcome a cold. The man took the medicine the doctor prescribed, and the cold turned into pneumonia. The doctor then told him it was necessary to increase the dosage of the same medicine. The man accepted this advice, and died. However, that is not the end of the story. The dead man's family invited the doctor to the funeral, but the doctor had a conflicting appointment. The doctor had been taking the same medicine, and was attending his own funeral."

This morning, Helga Zepp-LaRouche chronicled the stra-

tegic decisions that were involved. [The full transcript of her speech is available in the *New Federalist*, Sept. 21—ed.] Inside Russia, the insane idea was imposed by a small clique, under the patronage of London's Margaret Thatcher, and the cat who rode around on the back of her broomstick, U.S. President "Sir" George Bush. Exactly how this was done, Russian journalist Roman Bessonov exposed in a series of articles in *EIR*, in 1996, called "The International Republican Institute's Friends in Russia." We recapped the story in *EIR* of Aug. 14, 1998, as part of Helga's strategic overview on the "missed historic chance of 1989." In 1991, the London *Times* reported how Lord Harris of High Cross, chief of the Mont Pelerin Society's Institute for Economic Affairs, in London, saw Russia as "the perfect laboratory" to test out Thatcherism, and was ready to move in. Lord Harris still talks about 1992 Russian Premier Yegor Gaidar and his team, as "our men." Gaidar, Anatoli Chubais, Boris Fyodorov—they were all pupils in Lord Harris's kindergarten. They attended his seminars in London. Harvard did its part, as did the London School of Economics, but the core was Lord Harris's group of trainees. Gaidar's institute was directly sponsored by the IEA; it nearly shut down at the end of 1991, because most of its members entered the first Yeltsin government.

(Boris Fyodorov was one of them, being the Finance Minister in 1992. Very much on the scene right now as acting Deputy Prime Minister, Fyodorov is attempting to impose the British imperial "currency board" model for the final pillaging of Russia. That is what's behind the reports, asked about this morning, on "pegging the ruble to dollar and gold reserves." A memo by the staff at the Federation Council's Analysis Center calls it the "Chernomyrdin-Fyodorov-Soros Plan," as in George Soros, the megaspeculator who has been the other chief patron of Fyodorov and his cronies since 1990).

The Gaidar team launched the so-called "shock therapy," which embodied many techniques of looting and stealing, but its essential quality is the ideology on which it was based: the ideology of Friedrich von Hayek's Mont Pelerin Society, explicitly traced back to the enemy of Benjamin Franklin, Bernard de Mandeville, and his concept of man as a greedy animal, worthy only of being a slave.

Mendeleyev, Witte, and LaRouche

There were, and are, quite different ideas available for Russia. Just this past July 20, while the International Monetary Fund Executive Board was meeting in Washington about its ill-fated \$22.6 billion stabilization package for Russian finances, Academician Leonid Abalkin gave a press conference to attack the government's latest austerity measures. Abalkin asked, why should the country of Sergei Witte and Pyotr Stolypin, and of the Soviet mathematical economics school, be following imported, disastrous economic prescriptions?

The Russian universal genius Dmitri Mendeleev, who conceptualized the periodic law of the elements, was also an industrializer and an economist. His student, Count Sergei Witte, was Finance Minister in the 1890s. They got the railroads built in Russia. They fought vigorously for the principles of national economy, and explicitly against British free trade. Witte's 1902-03 "Lectures on Political Economy and State Finance" is one of the most brilliant textbooks ever written, on the system of national economy. Mendeleev and Witte worked with Henry Carey's circles in the United States.

That tradition of collaboration went back to the beginning of the nineteenth century. A Russian edition of Alexander Hamilton's 1791 *Report on Manufactures* came out in St. Petersburg in 1807, sponsored by the Ministry of Finance. In his introduction, the Russian educator V. Malinovsky wrote, "All the rules, remarks and means proposed here are suitable for our country." Malinovsky was the headmaster at the famous Tsarskoye Tselo Lycée, in the first graduating class of which were the poet Aleksandr Pushkin, and Prince Gorchakov, future Foreign Minister for Tsar Alexander II, and negotiator of the Tsar's alliance with Abraham Lincoln.

If you go to the Library of Congress and look up Russian editions of Henry Carey's works, you will find anthologies that came out in Russian in the 1850s and 1860s, less than two years after they were published in the United States.

Today, we have Lyndon LaRouche's decades-long discussion process with the Russian intelligentsia.

That dialogue goes back to the 1980s, when it was behind the scenes, sometimes indirect. The Soviet establishment attacked LaRouche as the author of the Strategic Defense Initiative. Yet, the circulation of LaRouche's economics writings, in that setting, laid the basis for ever greater and more serious attention to his ideas in Russia, even while LaRouche was in prison.

The dialogue took off, with the 1993 publication of the Russian edition of his textbook, *So, You Wish to Learn All About Economics?* LaRouche's second book in Russian, *Physical Economy*, came out last year — both Russian editions were brought into print under the scientific editorship of Prof. Taras Muranivsky, president of the Schiller Institute in Moscow. Academician Dmitri Lvov, the Academic Secretary of the Economics Branch of the Russian Academy of Sciences, wrote to LaRouche in his contribution to the *Festschrift* for LaRouche's 75th birthday, last year: "Your school of physical economy is 'the ray of light in the kingdom of darkness' of monetarism. . . . I propose to consider your birthday, to be the day of the rebirth of economic science, and to celebrate it in all countries."

When LaRouche visited Moscow for the first time, in April 1994, his host at the Economics Ministry research institute, Dr. Vyacheslav Senchagov, asked how one would go about creating a banking and financial system that would promote industry and the national economy, instead of destroy-

ing it, and especially asked Lyn to contrast his own approach with that of George Soros. LaRouche replied, "As far back in history as I know, there has been a conflict, . . . starting from Babylon, . . . with the usurers taking one side, and my friends taking the other side. It is a conflict between those who want to hold slaves, and those of us who believe that all individuals are sacred." Lyn gave a thumbnail outline of the American System of Political Economy, of a system of national banking, and said that any Americans who abandoned that and promoted the British System, for the U.S.A. or any other country, were "treasonous idiots." (This dialogue was published in *EIR* at the time, May 13, 1994.)

In his "Memorandum on Prospects for Russian Economic Revival, LaRouche wrote:

"What is required is not that Russia become a carbon-copy of the United States during the best period of the U.S.A. Rather, Russia's rational alternative to the presently ongoing economic catastrophe, is to adopt a Russian system which embodies the same proven principles of success which have been tested and proven sound in not only the experience of the United States' wiser periods, but of other nations which, for a time, also applied their own version of the same principles of national economy."

The memorandum, which was published in *EIR* and also in Russian, was one of a series of strategic articles by LaRouche on Russia. Among them:

- "A Science-Driver Program to End Russia's Depression," *EIR*, April 22, 1994;

- "Memorandum: Prospects for Russian Economic Revival," published in *EIR*, March 17, 1995; it was originally drafted as testimony for hearings held in the Economic Policy Committee of the Russian State Duma;

- "The New Role for Russia in U.S. Policy Today," in *EIR* of Aug. 25, 1995. In this essay, which I'm happy to say is one of the writings we have published in Russian, LaRouche went to the heart of the axioms of foreign policy:

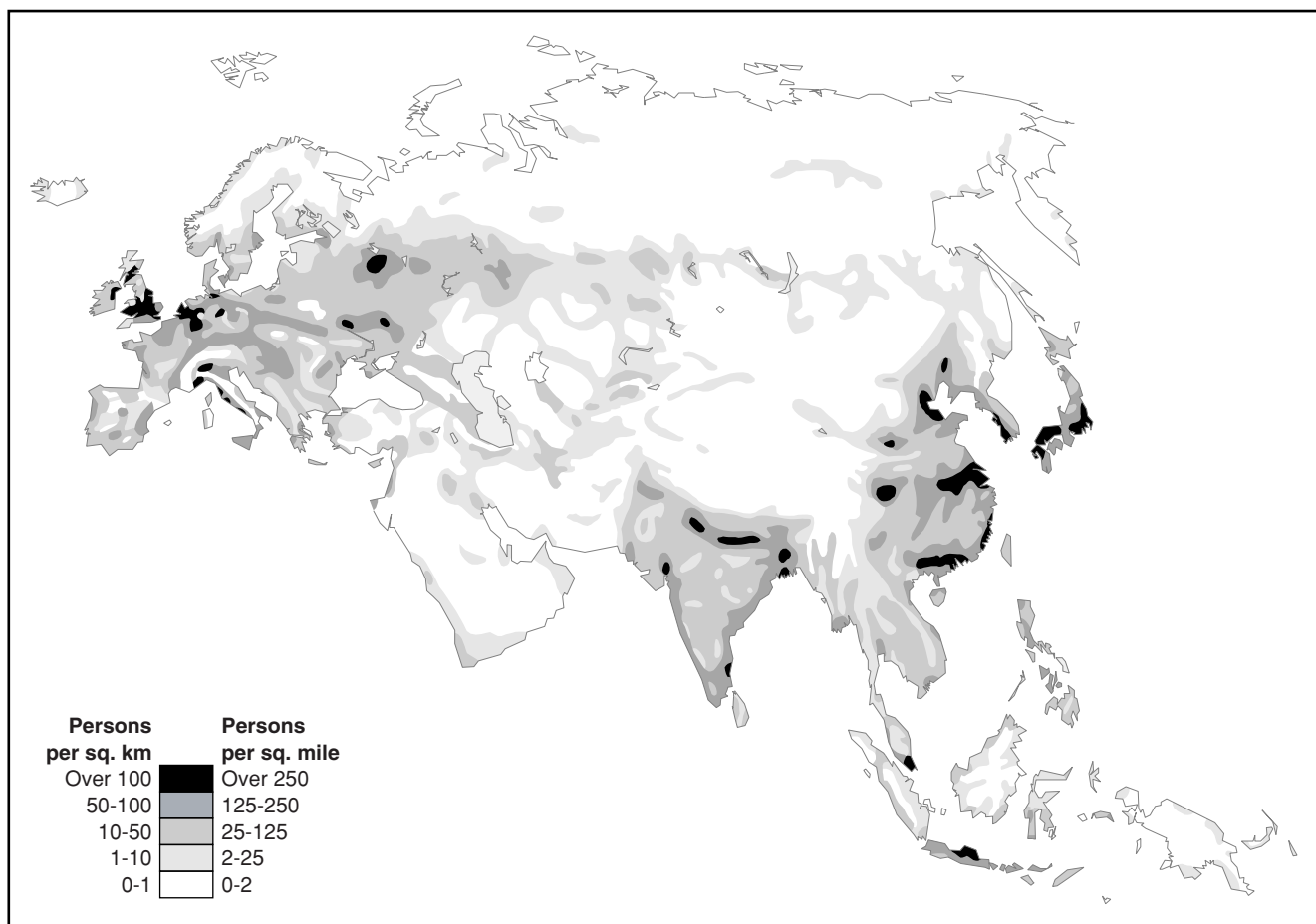
"There can be no competent U.S. strategic doctrine or foreign policy, which does not proceed from understanding of the nature of, and reasons for the irreconcilable, principled difference in moral character between the British monarchy and the constitutional Federal republic of the United States.

"It is a corollary of that same point, that there can be no competent understanding of the United States by any nation, unless that nation recognizes that the very national identity of the United States, and its most vital interests, are rooted, since no later than [Massachusetts colonial] Royal Governor Andros's pranks of 1688-89, in a fundamental conflict of interest between the British monarchy and the continued existence of the United States. At issue is nothing less fundamental, than two, mutually exclusive conceptions of man and nature."

From that same year, 1995, dates LaRouche's Presidential campaign paper, "The Blunder in U.S. National Security Pol-

FIGURE 2

Population density in Eurasia, 1990



icy,” in which he exposed the insanity of continuing to chant “democracy and reform,” while nations, including the former Soviet Union, are being annihilated in the name of “democracy and reform.”

- Lyn’s “Letter to a Russian Friend: Russia’s Relation to Universal History,” in which he talks about the special world-historical identity of the Soviet scientific intelligentsia—their quality of dissidence and truth-seeking (many of them, like LaRouche’s friend Pobisk Kuznetsov, spent years in the prison camps)—appeared in *EIR*, Nov. 29, 1996. It is about to come out in Russian, in Bulletin #8 of the Schiller Institute in Moscow.

- “Russia’s Liberal Reforms: Anatomy of a Catastrophe,” *EIR*, Feb. 21, 1997, accompanied our publication of a working paper by Academician Lvov and his colleagues.

- “Russia’s Science: a Strategic Assessment” appeared Aug. 8, 1997.

- “Russia Is Eurasia’s Keystone Economy,” in *EIR* of March 27 of this year, introduced our publication of Sergei

Glazyev’s paper, “Key Measures for a Transition to Economic Growth in Russia.”

As you can tell from the titles, the central idea is Russia’s potential as a leader in a science-driver economy.

Look at the population density map of the Eurasian continent **Figure 2**. There is plenty of room for development along transportation corridors in central Eurasia. Moreover, the Eurasian Land-Bridge cannot be built as a highway for the Renaissance, if Russia and the Central Asian Republics are hell-holes of spreading drug-resistant TB.

LaRouche wrote, in “Russia Is Eurasia’s Keystone Economy”: “The stability of this entire Eurasia inland region, depends, immediately, on recognition of the almost desperate, strategic self-interest in cooperation, among the three keystone powers of Asia: China, India, and Russia. These three, relatively most weighty nations of the Eurasia heartland, must be cultivated as strategic partners of the United States, a partnership which must be centered, on the U.S. side, in the person of the U.S. President, and his Executive branch.”



The Moscow newspaper Nezavisimaya Gazeta publishes EIR's map of the Eurasian Land-Bridge, with the title, "Contours of a New Russian Strategy: The Country Can Only Be Saved by Its Central Position on the Geo-Economic Map of Eurasia."

Eurasia as a British looting ground

The British Commonwealth-centered raw materials cartels, and their adjuncts from the Bush League—oil companies, and so forth—look at Eurasia as one of the two great concentrations of booty, strategic metals and fossil fuels, on the planet (the other being in Africa). That is the story behind the story of the attempted return of Viktor Chernomyrdin as Russian Prime Minister. The Federation Council staff memo warns that under the “Chernomyrdin-Fyodorov-Soros Plan”: “Russia loses its sovereignty. . . . In order to finance any domestic production whatsoever, it will be required first to export raw materials, in order to earn foreign currency, because an accumulation of foreign currency is the allowed basis for issuing rubles. . . . Russia’s position as a global donor to the developed countries is consolidated—the position of a raw materials appendage and a ‘milk cow,’ as a colony of the

transnational corporations. . . . [This means] the final destruction of science-intensive and complex manufacturing industries . . . [and] the liquidation of Russia’s scientific and technological potential.”

The staff memo goes on to forecast 30-35% unemployment, and more than half the population falling below, not the poverty line, but the physical survival line.

What the radical liberal reformers attack as the albatross hanging around the neck of the growth of speculative markets and looting, namely Russia’s heavy industry, the military-industrial complex (after all, as much as 70% of Soviet industry was tied in with military production), is actually the location of its greatest strength. It should not have been destroyed, or bankrupted as incurably “loss-making” and “value-destroying,” but transformed, so that its machine-tool potential be applied elsewhere. But, that requires engagement in the

great projects of the Eurasian Land-Bridge.

LaRouche wrote, in "Russia's Science: A Strategic Assessment":

"[C]onsider the potentials for an economic renaissance of Russia. Consider the strategic importance of such a renaissance in Russia for the development of Eurasia and of contiguous regions of the planet.

"From this vantage-point, the world's economy has three interests at stake in the prospect for reactivating the scientific potentials which Russia (like Ukraine) has inherited from the Soviet Union: 1) One of the largest, and best developed scientific cadres of the planet; 2) The specific orientation of that cadre to the frontiers of experimental science in general, as the Soviet space program typifies this frontier capability; 3) The grievous shortage, globally, of that quality of science cadres associated with the former Soviet Union, as this acute shortage should be measured, per-capita of labor-force, throughout most of the world, notably Eurasia and Africa. In summary, without a virtually full-scale reactivation of the scientific cadre associated with Russia, the world at large lacks the quantity and quality of total scientific cadre-force required to reverse the recent thirty years' contraction of means to satisfy the urgent requirements of mankind as a whole."

In "Science vs. Ideology," Lyn's article in the Aug. 21, 1998 *EIR*, he updates the case:

"The only possibility for the economic revival of Russia lies in the role to be played by the most advanced ration of Russia's combined present and former labor-force, notably the scientific-military-industrial complex developed within the former Soviet Union. For Russia's economy itself, the problem is, that without reactivating that complex as the basis for an export-oriented, vast machine-tool-design complex, there is no possibility of halting the presently accelerating plunge of Russia and adjoining former members of the Soviet Union into a strategically world-perilous form of disintegration. The potential markets represented by the indicated prospects for economic reconstruction of Asia represent the margin of opportunity without which Russia could not be brought to economic and financial stability."

Think of north-central Eurasia under a Land-Bridge policy, in which the science cities of the Soviet period, instead of dying, were mobilized. Think of reviving the famous Russian, Ukrainian, or Armenian, for that matter, "KB," or design bureaus, where teams of scientists pioneered new technologies and feats of engineering. Think of Russian machine-tool exports to China and Central Asia, as we detail the potential for that in *EIR*'s Special Report on "The Eurasian Land-Bridge—the New Silk Road."

Such an idea is attractive to thinking people in Russia. In March of this year, the Land-Bridge map turned up as the illustration for a major article in the daily *Nezavisimaya Gazeta*, by Dr. Sergei Rogov, head of the U.S.A.-Canada Institute of the Russian Academy of Science (**Figure 3**). The head-

line says "Contours of a New Russian Strategy; the Country Can Only Be Saved by Its Central Position on the Geoeconomic Map of Eurasia." It is properly credited to *EIR* and identified as "the Transeurasian bridge, published by the Lyndon LaRouche Institute."

There is a brawl raging over economic policy in Russia right now. Please do not be brainwashed by the media, to think it is a fight between "a return to communism" and "continuation of free-market reforms." The Russians jumped from the frying pan into that inferno, a long time ago. The contours of the battle are different, and I hope I've indicated them to you. Many of the scientists and politically active economists, whom I have mentioned today, are extremely active in this fight.

Sergei Glazyev, in a major *Nezavisimaya* article this week, projects that Russia has a "last chance . . . transition to a mobilization economic policy, by no later than October," instead of the Chernomyrdin-Fyodorov-Soros plan.

Dr. Koryagina, who is an adviser to leading opposition deputies in the State Duma, and who says in her *EIR* interview that Lyndon LaRouche ought to be an economics consultant to the Russian government, welcomes the worldwide "revolution against financial speculators," in which the nation of China, and now Malaysian Prime Minister Mahathir, are key leaders. We should make sure that the United States is on the right side!

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