

Bank were able to handle the financial crisis and even began to repay debts to some foreign creditors.

- Contrary to the allegation that the International Monetary Fund and the World Bank would not even want to sit down for talks with Primakov and the communist Maslyukov, these institutions agreed to grant Russia new, major loans. True, Yeltsin found nothing better to say about this, than to reproach Primakov for the latter's efforts allegedly being in vain, because Russia would not really need these loans. But, only two months earlier, the same Yeltsin had threatened to make a personal intervention into negotiations with the Fund, in order to make sure they were successful. The President obviously no longer remembers what he has said, and assumes that other people will forget it, too.

- Finally, and most importantly, industrial production began to rise again under Primakov, having declined steeply under Chernomyrdin and Kiriyenko. By May, nationwide production had surpassed last year's level, and if Primakov had been free from interference, it was forecast that by the end of the year, production would have increased 5-6%. None of the previous Prime Ministers under Yeltsin could boast of such brilliant results. Was it from envy, that they decided to incite Yeltsin to cast Russia back into crisis?

People in the West are surprised at the modesty of Primakov, who did not boast of his achievements, waiting rather for them to be manifested in a more noticeable rise of the standard of living. Primakov had not, after all, succeeded in eliminating the wage payment backlog, while the population's real incomes, through the fault of the previous government, had remained lower than they were last year. The Primakov government understood that, without a significant increase in wages, there could be no sustained economic growth. In all the industrially developed countries, the wage fund comprises two-thirds of the Gross National Product, but in Russia it is less than half. Low wages and general poverty are the main reason for the stagnation of our economy, not some imagined sins of the Primakov government.

Even in this inauspicious situation, however, Maslyukov and the other members of that government found ways to animate production, without advertising their efforts. They understood that the steep increase in the price of imported goods created a possibility to stimulate the growth of domestic production. The government helped domestic producers to obtain the credits they needed to replenish their working capital, which had been reduced to zero under Gaidar and Chubais. There is demand for many domestic products, but the producing enterprises often lack the working capital to organize their production. Likewise, this spring the government for the first time provided monetary credits to the agriculture sector, which made it possible for industry to steeply increase the production of tractors for the spring planting. The financial markets also were coming to life, for the first time since August 1998. Share prices were rising

again. Both domestic and foreign businessmen had begun to grow accustomed to stability. And Yeltsin destroyed all that in a single moment, clearly not out of economic policy considerations.

It should be understood, what awaits the economy in the coming time of political crisis and the latest disorganization of central power. The Western press is unanimous on this account. It forecasts a new collapse of the ruble against the dollar, a burst of inflation, decline of production, and the latest budget crisis. The World Bank has already suspended implementation of its program of credits for Russia. The IMF will almost certainly take a corresponding decision. Another theme, taken up in the *American Journal of Commerce*, is that the new instability, now engulfing Russia, will halt the process of rooting out corruption, which was beginning under Primakov. The relatively dormant oligarchy, which has thoroughly bought off the President's family, will be able fearlessly to return from its voluntary exile abroad, and take up its customary amusements.

Is that not the whole purpose of this operation to change the government, which the London *Financial Times* termed a "swan song"?

Moscow paper covers EIR Bonn seminar

The Moscow newspaper *Slovo* on May 12 published a report on EIR's April 21 policy seminar in Bad Godesberg, Germany, headlined "Stop the Slide into a Dark Age; the Opinions of Russian and American Scholars." The report consisted of excerpts from the presentations by Lyndon LaRouche and Prof. Stanislav Menshikov (see "EIR Bonn Forum: A Dialogue on Solving the World Crisis," EIR, May 7, 1999 for a full transcript), supplemented by new material.

The feature in *Slovo* appeared on the newspaper's regular page from EKAAR-Rossiya (ECAAR-Russia: Economists Allied for Arms Reduction), which Professor Menshikov co-chairs. The excerpted speeches were introduced with a note, saying that the seminar was on the theme, "How to Exit from the Crisis: Europe, the World Financial Crisis, and the New Cold War," and that the participants were scientists from the United States, Russia, Germany, India, and China. Lyndon LaRouche is identified as "the American political figure and economist, founder of the school of 'physical economy,'" and as "leader of the left wing of the Democratic Party in the United States, who has run for the Presidency several times."

LaRouche's presentation was given in Russian in the form of excerpts from his article, "The LaRouche Doctrine," and

from his actual words at the Bad Godesberg seminar. Headlined "On the Road to World War III?," it led with LaRouche's analysis that the immediate cause of the war in the Balkans was "an attempt to stifle the world financial crisis, which arose at the end of the 1980s in the form of a bursting bubble of speculation around the yen, then spread to other countries of Asia, to Russia, and Brazil, and in the autumn of last year threatened to bankrupt the major hedge funds in the U.S. No small role in provoking the war was played by the Blair government, which is continuing Thatcher's line of reviving the British imperial role in the world, using friends and agents in the U.S.—a traditional British policy line for many decades."

Rarely has any such identification of the British role appeared in the Russian press! The excerpts from LaRouche went on to hit Al Gore's protection of his derivatives-playing cronies at Long Term Capital Management, and the roots of NATO "out-of-area deployments" in the British war against Argentina in 1982. The passage concluded with the last part of "The LaRouche Doctrine," on the impossibility for President Clinton to balance between two irreconcilable policies, and the solution being immediate joint action by the United States, Russia, China, India, and at least one continental European partner, such as Germany, for a New Bretton Woods agreement, consistent with the anti-imperial policies of Franklin Delano Roosevelt.

Professor Menshikov's contribution to the spread was titled "The Blair Doctrine' on the Backdrop of the Balkan War." The text incorporated new, sharp polemics about British strategy, within his Bad Godesberg presentation, such as: "Lyndon LaRouche emphasizes the special role of Great Britain in provoking the current NATO aggression. And he seems to be right, since it was the Prime Minister of that country, who formulated the concept of the new 'order.' The *Financial Times* calls it 'the Blair Doctrine,' or 'a charter of interference in the affairs of countries with repressive regimes, putting into question the sanctity of the principle of nation-states as the basis of international law.' Blair believes that Great Britain has a unique role to play in developing such a charter. Thus, LaRouche is not far from the truth, when he accuses Blair of implementing the imperial designs of his masters, acting through British-American agency in Washington."

For *Slovo* readers, Professor Menshikov also highlighted the role of Vice President Al Gore and Secretary of State Madeleine Albright, writing, "The aggression against Yugoslavia is also the first swallow of spring, in the expansion of NATO to the East. Albert Gore recently stated, that the goal of this was to overthrow 'the last communist dictator' in eastern Europe. This makes it clear to other countries on the periphery of the former U.S.S.R., that if they elect 'disobedient' left governments, that may serve as a pretext for military intervention by NATO. It becomes clear what Albright meant, when she spoke about the role of NATO as 'defender of democ-

racy.' The question arises, of who is next? Belarus, where [President Aleksander] Lukashenko has been a thumb in the eye of the Americans for some time? Russia, where Primakov or Luzhkov, whom Washington equally dislikes, might succeed Yeltsin?"

Professor Menshikov concluded his own excerpted presentation: "Of course, Lyndon LaRouche may turn out to be right, with his hope for the victory of reason in the world of the Western establishment. Today, we know that around Clinton is grouped the most noxious and dangerous group in recent American history, at least since the time of the Dulles brothers. LaRouche believes that Clinton is a prisoner of these people, who together with Blair and other 'British agents' are pushing him to violate the world order, while the President himself would resist, trying to balance between two policies. Frankly speaking, I find this hard to believe. Known facts indicate otherwise. Personally, I agree with LaRouche that Clinton is a weak President, easily succumbing to 'bad influences' and stubbornly aggravating his own mistakes. Therefore, it will be difficult for him to turn his policy around 180 degrees, even if he were to understand its ruinous nature. The rebirth of Franklin Roosevelt's policy for a genuine alliance with Russia is a truly great idea, which could fundamentally change the course of modern history. Only, so far, a new Roosevelt is not visible on the horizon."

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