

## Russian crisis heads toward a power shift

A decisive power shift is being organized in Moscow by the military-industrial complex, which already controls the single most powerful Russian institution, the Russian Security Council. By sometime in December, they will extend their power to control the Russian government. This will probably take the form of President Boris Yeltsin invoking constitutional emergency powers and purging the government of "shock therapy" practitioner Yegor Gaidar (the acting prime minister and economic "czar"); Yeltsin may even go so far as to dispense with the Russian parliament.

The plans for installing a new government were worked out over the weekend of Oct. 31-Nov. 1, at a Russian Security Council meeting. Immediately after the meeting, council member Aleksandr Rutskey, the Russian vice president and a leader of the anti-Gaidar faction, announced that the first government changes, which will involve "a number of ministers," will occur on Nov. 15.

On Nov. 3, the Russian Civic Union, the political

organization of industrial leaders, announced its agreement, after a meeting with President Yeltsin, that a new government will be formed on the basis of a Civic Union-drafted "anti-crisis economic program." The content of that program has not been revealed. Yeltsin will meet again with the Civic Union on Nov. 14.

A crucial component of the arrangement worked out between Yeltsin and the military-industrial grouping can be seen in his tough statements and actions in the conflict that has erupted in the Russian Federation republic of North Ossetia, on preserving the "territorial integrity" of the Russian state. The Russian military has intervened into North Ossetia, while in the nearby Georgian region of Abkhazia, Russian forces are giving artillery support to Abkhazian forces fighting Georgian troops north of the regional capital, Sukhumi.

Yeltsin will give the Russian military free reign to take action against Georgia to prevent any humiliation of the Army. That situation is at the brink of fighting after Georgian troops on Nov. 1 seized a huge Russian Army ammunition depot. On Nov. 3, Russian Defense Minister Gen. Pavel Grachev warned that should Georgia refuse to return the base and munitions, Russia will bomb the base, if necessary, to deny its stocks to Georgia. —Konstantin George

rates, committing every crime up to and including the slaughter of many tens of millions of people, to collect the debt. The audience was shown how the Third World has already paid, in the last 10 years, twice the amount it owed back in 1982, leaving it with a debt burden double that of 1982.

George stressed that breaking with the IMF and freezing the debt was not a financial question, but a moral question, upon whose resolution millions of Russian lives depend.

### The LaRouche program

The second day of the conference opened with a presentation by Dr. Jonathan Tennenbaum, president of the German Fusion Energy Forum, and co-author with Mr. LaRouche of a book-length development program for Eurasia, *Ein Wirtschaftswunder für Osteuropa, Das Productive Dreieck: Paris-Berlin-Wien (An Economic Miracle for Eastern Europe, the Productive Triangle: Paris-Berlin-Vienna)*.

Tennenbaum presented the policies of Hamiltonian national banking, in answer to what is perhaps the most often asked question in the nations of the East: If no aid comes from the West, how can the necessary, huge infrastructure projects and industrial-agricultural modernization described in the LaRouche-Tennenbaum book be funded? As Dr. Tennenbaum detailed, the state can act in a sovereign manner and establish a national bank, as Alexander Hamilton did, to issue credits to the state, banks, and enterprises, to finance

the growth and technological advancement of the real economy: to infrastructure construction projects, and for equipment and other purchases to get modern industries and agriculture going.

Tennenbaum explained how this program is not inflationary, since the real wealth it creates, after an initial period, becomes far greater than the cost incurred. This is no "leap into the void," but a tested program that works. Every time Hamiltonian banking, dirigist methods of state support for industrial capitalist growth have been employed, the economy in question has undergone breathtaking rates of sustained growth. Examples include the young United States, the late-19th-century policies of Russian Finance Minister Count Sergei Witte, and in the modern period, the German postwar "economic miracle" and France under Gen. Charles de Gaulle.

The next speaker was a Moscow scientific researcher, Dr. Viktor Petrenko, a member of the Schiller Institute, who introduced the forthcoming first Russian-language edition of the physical economy textbook authored by Lyndon LaRouche, *So, You Wish to Learn All About Economics?* After Dr. Petrenko's presentation, the conference participants received a copy of the proofs of the Russian-language LaRouche book.

A full report on the proceedings of the conference is being prepared by Rachel Douglas, and will be published in *EIR* after her return from Moscow.