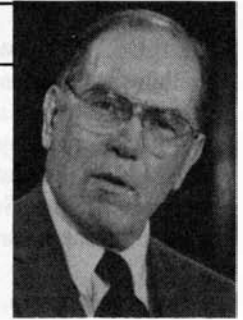


Interview: Lyndon LaRouche



'Russia is going to dump U.S.-backed economic reform'

American statesman and political prisoner Lyndon LaRouche had the following comments on different aspects of the world crisis on the weekly radio interview "EIR Talks" on Aug. 18. He was interviewed by Mel Klenetsky.

EIR: Russian President Boris Yeltsin is calling for parliamentary elections with or without the approval of Parliament. There is a huge crisis brewing between the Parliament, Speaker of the Parliament Ruslan Khasbulatov, and Yeltsin. And some say this is going to lead to, perhaps, even civil war in Russia in September. What do you think?

LaRouche: I think that's too simplistic. First of all, we know from eyewitness accounts in Russia that Boris Yeltsin is generally considered to be drunk. The press reports indicate that he has very poor health, and that includes press reports coming out into the West.

In the last day, it is notable that *Nezavisimaya Gazeta*, the daily newspaper which supported Yeltsin back in the putsch crisis two years ago, has now abandoned its support for him. We are now hearing rumors of the very bad health of Yeltsin. On top of the general commentary on his health and on his alleged drunkenness which we have been hearing over the past couple of weeks, we know there is a three-way standoff among principal institutions in the Moscow government.

You have Yeltsin on the one hand, as a personality, the President; you have attached to him, a presidential staff of radical reformers which is running the government, which is the main target of all the nationalist and other related attacks on the Yeltsin government. We have a parliamentary system under the political leadership, for the moment, of Khasbulatov, which is challenging this. We have within the parliamentary system some factions, and the question is: Which faction will come to power?

In general, Moscow sources believe, whenever excessively and persistently unpleasant notices are being made of a leader's health, as in the case of, for example, [the late Soviet Communist Party General Secretary Constantine] Chernenko, who was already living on life-support systems when he was made general secretary, that that is a bad sign

for his political longevity.

So I think that all the signs are out that Yeltsin might go very soon, and the question is what would succeed him. Would it be civil war?

He might not go; they might make a deal with him, to get rid of his associates and come to some kind of arrangement. I think Russia is groping toward an attempt to create a collective leadership for a while, since they have no one leader around whom the combination of forces might be put together for a new government.

But what is inevitable, is this. The system is currently in a crisis. One of our problems in discussing it, is that the U.S. news media and, to a large degree, much of the European, is not in any way reflecting the reality of what's going on. In a sense, they're lying, and also lying by omission, in the sense that the picture that is being given of the world in the news media, as I see it and hear about it, is out of all correspondence to reality.

For example, CNN [Cable News Network], the popular television news media, what it reports in a package is out of all correspondence to reality. So I think one of the big problems here in discussing the Russian situation is that the Russian situation itself, and the significance of the Russian situation, and of the Balkan situation, is totally unknown in any sense. It is not on the horizon in any real sense. People are saying, "anti-Yeltsin," "pro-Yeltsin," this kind of nonsense; it's a comic-strip or soap opera-type view of Russia. And it's not like that at all. It's a very complicated, highly explosive mixture, which could signal the slide of the world into the worst crisis in more than six centuries of European experience, at least.

That's what's on the table, not for the distant future. We're talking about the next weeks and months. There is already a crisis in Moscow, an unbelievable crisis in the Russian system. This U.S.-sponsored economic reform system cannot continue; it is gone, it is going to go. The United States sticking with this free market, deregulation, all this nonsense, is going. Washington is in Never-Never-Dreamland as far as I can see.

You have a little voice from [Senate Minority Leader

Robert] Dole or a few other people now and then who say something sensible on one question or another; but overall, Washington is living in a fantasyland; and the U.S. population, by and large, dependent upon our corrupt news media, which *completely* misrepresents what's going on, are also in Never-Never-Land. So when we talk about the Russian crisis, I don't think the average American knows what's going on. . . .

The problem here, as I say, is that when you're talking to an American audience, you have to recognize that the listener who is following the news media, so-called, in the United States, has absolutely no understanding of what's going on; and therefore, if you talk about a crisis, he or she tries to fit it into what they hear from the news media, and it has no correspondence to that. That is the first thing of which we have to be aware in this kind of situation.

What we're talking about, is essentially the United States move to break up, destroy, eastern Europe and the former Soviet Union, from 1991 on. After the fall of [Mikhail] Gorbachov, the Anglo-Americans moved and continue to move behind people like [Hungarian-American international speculator George] Soros, to loot eastern European economies, to the point that they are now 30% of what they were in 1989. To do similar things in Russia and Ukraine and so forth.

So what they have done, is to create a situation where the good relations between Moscow and the Anglo-Americans, or between Warsaw and the Anglo-Americans, are all based on submission to this Soros kind of free-trade derivatives, speculative arrangement, which is a looting arrangement.

On the other hand, none of these nations can survive, if they do not reject this Anglo-American policy, which means a break with the United States.

In other words, the United States is forcing these nations to a break with it, as a price for their own survival. The eastern European nations by and large, have been occupied so many times, that they will tend to try to find a way of living with submission to these kinds of horrible circumstances, as we see in the case of Poland—up to a point.

Russia, which has not been conquered since it came out of the Mongol yoke in the early 15th century, will not accept submission. That means that no matter what happens, as long as the Clinton and [John] Major governments continue to insist that eastern Europe and Moscow go along with the so-called democratic reform, they are insisting that an explosion come in Russia, and they're insisting that we go back to a combination of either the old Cold War situation—this time not with the communists but with Great Russians bearing the double eagle. And they're insisting that the alternative to Cold War is absolute chaos, in which the United States itself would disintegrate.

That is the reality of the Russian crisis, not some soap opera story as the U.S. press is representing the Yeltsin crisis.

EIR: You have indicated that the way to deal with the crisis in Moscow is through some combination of ruble reform and economic development. Is there such a package that can be implemented at this point, in terms of the emerging alliance in the West that's fighting speculation?

LaRouche: Not exactly. There is and there isn't. The problem is, I'm key to this. The only time such a possibility arose, prior to 1989, was during 1983. It arose around the back-channel discussions which I was conducting on behalf of the Reagan administration with Moscow, discussions which pertained largely to what I defined as cooperation on a program for a strategic anti-ballistic missile defense system—what Reagan announced on March 23, 1983 as the Strategic Defense Initiative (SDI).

Now, you have to remember that that five-minute segment of the Reagan speech was drafted with the cooperation of a collaborator of mine, and also with someone from the National Security Council, to make sure that what Reagan said in that segment, would conform *exactly* to what I'd been saying on his behalf with the Moscow back channels. And it did.

Now, if Russia had accepted that proposal by Reagan, the effect would have been to change the world. That is, if the Russians had said, "We go with what LaRouche is proposing, and we reject what Henry Kissinger and Robert McNamara are proposing," (the so-called MAD doctrine)—that was what the issue was—then the world would have changed.

Now, we face the same condition today. As long as I am stuck off in a corner as a pariah, I guarantee you there is no possibility of any such program working. As long as that condition exists, I guarantee you we have only two alternatives for this planet: Either go back to a Cold War or quasi-hot war situation between the superpowers, with a lot of local wars around the world, or the kind of chaos in which the United States, for example, might disintegrate for economic and related reasons, over the coming three to four years.

That is, in three to four years from now, we might be standing in a United States—if we're standing at all—which is in the process of breaking up. *That is already right now in progress*, though some idiots in the news media and around Washington refuse to admit that.

The time that we don't have the tax base to maintain a local community, and we don't have resources from Washington to bail it out, that local community goes out of business politically. State governments and whole sections of the federal government will disintegrate. As long as we continue this lunatic balance-the-budget hysteria; as long as the United States is cutting its tax revenue base more and more and more, collapsing the economy, we will get to the point where we don't have enough tax revenue base to maintain the essential functions of government, we begin to disintegrate, and then chaos takes over where government disappears.

That is tending to happen around the world, particularly with the collapse of economy, and this is the reality we must see, not looking for some pollsters' type of alternative. There are no pollsters' alternatives. Either we shift away from the McNamara, Kissinger, etc., line, the Bush-Thatcher line, get away from that and go to what I proposed philosophically first in 1982-83 in this back-channel arrangement and again in 1989-90, go to what I specifically have proposed, or else you get either war or chaos.

Those are the three alternatives. And everything that is said about alternatives, falls under that.

EIR: The President of Bosnia, Alija Izetbegovic, has indicated that he feels his back is against the wall, and his only way out is to go with the partition arrangements that have been proposed by Lord Owen. What will happen if he does this?

LaRouche: It's hard to say. First of all, look at the larger situation. Bosnia is being destroyed, and Bosnia was not destroyed by simply the Bosnian Serbs, or even Slobodan Milosevic's Serbs. Bosnia was destroyed by a calculation set into motion by the Bush and Thatcher administrations and run by the Anglo-French alliance, and the United Nations under [Secretary General Boutros] Boutros-Ghali.

What they have done is to strip the Bosnians of arms, and let the Serbs have all the weapons they wanted. Every time the Bosnians tried to resist, or the Croats tried to resist, the United Nations, the United States, and Britain intervened to attack them, cut them off, and assist the Serbs. The U.N. troops in former Yugoslavia have acted consistently to assist the Serbs militarily in continuing their genocide against the Croats and Bosnians.

Under these conditions, it's come to the point that Bosnia seems to have no objective alternative, but to come to some kind of a deal with its predators, the Lord David Owen-Thorvald Stoltenberg-United Nations rape operation.

Now the reason partly for this, is that the Clinton administration has twice — three times actually — come up to the wire on this and threatened to use military force unilaterally if necessary, under the relevant provisions of its authority under the U.N., to allow air assaults against the Bosnian Serbs, against their logistics and artillery bases, and to lift the arms embargo against the Bosnian government.

Twice it has failed to do that. What has happened, therefore, is that, although Bob Dole over on the Republican side is obviously using this issue and is sticking to the issue, this is a crime; the Clinton administration has essentially thrown away its ability to govern, its credibility, by backing down twice in the way it has done on this military issue.

That means that the United States has created a vacuum in Washington, and a vacuum in world leadership, in which the British-centered crowd is prevailing, and Izetbegovic and his people are being thrown to the mercy of these predators.

However, it is also clear that the Parliament of Bosnia and the military leaders of Bosnia, will not accept what is being offered. So you have a continuing fight in which Izetbegovic is being terrorized into backing down to the predators, in which the United States, as a result of this, has created a vacuum in which the Clinton administration's credibility is all but gone for the future on domestic or foreign issues, and in which Clinton himself has retreated into non-starters, that is, non-starters as political rallying points — the budget, which was necessary, but is nothing to brag about in any respect. It's a failure, a horrible failure. And then going back to the health package which under these circumstances is going to be an even worse failure.

So Clinton is running into predetermined failures, away from those issues. Now they're coming out with an attack on Sudan, attempting again a Bush tactic of distracting from the reality of the Balkan issue. The Balkan issue is going to blow up some more; it is not going to be quiet. The submission of Izetbegovic to these predators, would not end the Balkan wars. The Balkan wars are going to spread. And they're going to spread through other parts of the world, outside the Balkans themselves.

So this is the worst, most catastrophic failure, and it is an unbelievable crisis for the Clinton administration. They have failed; and only by reversing course on these issues, can Clinton get something accomplished.

Just to give you an example of this. The Clinton administration backed off from the idea of incentives, on the basis, as Hobart Rowen reported recently in the *Washington Post*, that simply lower interest rates would be a stimulant for the economy — which, of course, is not true. And that will prove itself, if you try to carry that out. All it will do, is to blow up the derivatives even worse.

Because what the Clinton administration has overlooked is the fact that the economy grows only if you put credit into the right place, that is, into industrial and agricultural and infrastructural jobs. If the credit does not go to those areas, then it will simply increase the rate of inflation. So unless you have some kind of a dirigist approach, which keeps the credit from flowing into certain areas which are speculative, and gets the credit flowing into areas which create useful jobs, not service jobs, not Wall Street jobs, then the U.S. economy is just going to slide deeper and deeper into the trough.

So that program that Clinton relied upon, as an alternative to his original, better program, is going to be a catastrophic failure. His health plan, under these circumstances, will be a catastrophic failure. His foreign policy so far, has been, in effect, because of these things we have indicated, also been a catastrophic failure.

Clinton is now facing a crisis; and his crisis happens to be not his personal crisis, but it is the crisis of the United States, and also of the world.