

could not reach agreement on the legal status of the Caspian Sea and its floor. The full story of the stalemate has not emerged as of this writing, but long-standing disagreements between Iran and Azerbaijan were involved. Iran, historically, has advocated treating the Caspian as a lake under international law—to be equally shared among the littoral states. Azerbaijan stands for carving up the sea, as well as the sea floor and raw materials deposits. Russia's formula of "divide the bottom, share the surface" was not accepted. Matters are complicated by the extent to which Azerbaijani President Heidar Aliyev, the veteran ex-Soviet intelligence officer, carries favor with Western oil interests and their associated geopolitics. These frictions grew more acute after Bush proclaimed Iran to be part of an "axis of evil."

Such dividing lines are not written in stone. Even as the Caspian talks stalled out, Putin signalled that Russia will push ahead for its own oil companies, starting with LukOIL, to get in on the Baku-Ceyhan oil pipeline—long pushed by Aliyev and his Anglo-American partners as an alternative to using Russian pipeline routes for shipping oil out from the Caspian and from Kazakstan.

Great Projects

The prospective development of joint infrastructure projects with Commonwealth of Independent States (CIS) members was the brightest note in the economic policy sections of President Putin's State of the Federation report, delivered to the Federal Assembly on April 17. The way the Russian

President cast his appeal to achieve higher growth rates and integrate Russia into the currently existing global economic system was open to varied interpretation. Liberal economist Yevgeni Yasin called the speech "a carte blanche for reform," but the improvements Putin demanded in standards of living and industrial performance are incompatible with the monetarist snake-oil and looting that went under the label of "reform" during the 1990s. Putin's call for great infrastructure projects could not be achieved by the methods of the team of financiers (Sergei Ignatyev, Oleg Vyugin, and Andrei Kozlov) recently reinstalled at the Russian Central Bank.

The President said, "The CIS countries have many opportunities to carry out large-scale, joint infrastructure, transport, and energy projects. I am sure that their implementation will increase the solidity of our integration, and will provide new opportunities for the Russian economy, and for others besides."

On the April 12 edition of a new weekly ORT TV program on science and technology, Russian journalist Vitali Tretyakov gave an idea of how such projects are being discussed in leading Russian circles. Tretyakov, the former editor of *Nezavisimaya Gazeta* and now head of an Internet report on energy, said that Russia needs great infrastructure programs as an engine for the revival of national industry and science.

"Especially after the Mir space station was closed," said Tretyakov, "Russians feel humiliated. . . . People long for the times when we had space science, and when we had an ideology. This ideology could be successfully replaced by a

LaRouche in Russian Military Paper

Krasnaya Zvezda (*Red Star*), the official daily of the Russian Defense Ministry, featured an interview with Lyndon LaRouche in its April 20 issue. Headlined "The Crash of Immoral Economics," it was an abridgement of economist Andrei Kobayakov's interview with LaRouche, from last October's inaugural issue of the journal *Russky Predprinimatel* (*Russian Entrepreneur*).

Red Star's selections highlighted a question on what must be done "to avoid a general catastrophe," to which LaRouche replied: "The only solution is to put the entire international financial and monetary system into bankruptcy-reorganization: to simply eradicate most of the mass of accumulated financial debt of the world, and resume building the real economy under a new system with many of the leading features of the 1945-1963, gold-reserve-based international monetary and financial system.

If that reform is not made, then a planetary new dark age is inevitable for the medium-term ahead." (The original interview appeared in *EIR* of Nov. 9, 2001.)

Excerpting from Kobayakov's introductory article, *Red Star* added a new lead: "Clinton, the Bush family, Gore, Kissinger, Brzezinski, Albright—these members of the American political elite are well known. At the same time, several gifted figures in the U.S. Establishment, who have dared to swim against the current, remain in the shadows. One of them is Lyndon LaRouche." The paper added that LaRouche had run for U.S. President several times, stressing that this requires substantial popular support.

Other questions and answers, used in *Red Star*, were on the true nature of liberal economics; the conflict between Russia's Christian heritage, and liberalism; the causes of the financial crisis; what has happened to America's role as a superpower; and, what is the special role of Russia today. Thus, readers of the Russian military daily heard LaRouche discuss the history of the Venetian oligarchical model in which "liberalism" is rooted, and the worldwide cultural collapse since the death of Franklin Delano Roosevelt.—*Jonathan Tennenbaum and Rachel Douglas*