

The Russian ‘Surprise’: Putin Flanks the Empire

by the Editors

Sept. 28—Noted American economist and political leader Lyndon LaRouche issued a statement of warm congratulations on Sept. 25 to Russian Prime Minister Vladimir Putin, upon the latter’s nomination for the Presidency of Russia in the 2012 elections. He also congratulated Russian President Dmitri Medvedev, who nominated Putin for President at this week’s United Russia party convention; Medvedev has announced his candidacy for the Russian Duma, as head of the United Russia slate.

“This Putin-Medvedev move is just the kind of strategic surprise the world needs,” LaRouche said. “This assertion of leadership sends a clear message of defiance against the British Empire’s divide-and-conquer games, and represents a major step forward toward a new Pacific-centered recovery program for the entire world.”

“The Putin-Medvedev decision,” LaRouche continued, “is actually a sign of hope for all mankind. What is required now is for the American population to dump its British-puppet President, and join with Russia and China to form the ‘Great Pacific Alliance that can rescue mankind’” (see Editorial for full statement).

The decisive Russian move, coming precisely as the bankrupt British-run financial empire is engaged in a panic-stricken drive to maintain even the semblance of

life, is a master stroke. Russia and China have recently been making exciting strides ahead, toward expanded cooperation in the areas of nuclear energy, rail, and development of the mineral-rich areas of Siberia. Their approach to development provides a clear alternative to the globalists’ demands for austerity and bailouts—and with the Putin leadership firmly in place, this thrust becomes more secure.

The Putin-Medvedev action also follows on the heels of LaRouche’s recent call for the immediate convening of a U.S.-Russia-China alliance, which would usher in a real economic recovery based on high-technology great projects such as NAWAPA (North American Water and Power Alliance), and the reinstatement of a fixed-exchange-rate credit system globally. Thus, the groundwork for an appropriate U.S. response to the Russian developments is already in preparation, and can take off, as soon as American patriots get the guts to fire the chief obstacle, President Barack Obama.

Catching the Empire by Surprise

On Sept. 24, the second day of the United Russia nominating convention for the Dec. 4 State Duma elections, Medvedev announced that Putin will run for President of Russia in March 2012, while Medvedev would accept a nomination as prime minister in a new



Presidential Press & Information Office

Prime Minister Putin and President Medvedev sent shockwaves through political and diplomatic circles with their surprise announcement that they would be switching places, as of next Spring's elections. The British imperial crowd was especially displeased; but LaRouche dubbed it "just what the world needs."

government, each thus replacing the other in their current posts. The announcement was greeted by prolonged standing ovations from the more than 11,000 delegates meeting in Moscow's huge Luzhniki Stadium. Putin said that he and Medvedev had agreed on this division of labor many years ago.

While there was a general recognition in the West, both Russia's friends and enemies, that it was a virtual certainty that Putin would be the United Russia candidate for President in next March's elections, the announcement at the United Russia convention actually caught almost everyone by surprise.

One reason for the shock was that a large number of Western so-called Russia "experts" had bought into the idea that there were deep personal and policy differences between Putin and Medvedev, and that these splits might be exploited to weaken or destabilize Russia.

The way that the announcement was made served to demonstrate that all of the Western fantasies about a profound rift in the Kremlin and the prospect of a "liberal"—i.e., British—challenge to Putin's authority were just that: pure wishful and delusional fantasies.

It was that flank that Putin exploited, in the timing and character of the announcement. There never was a split, and the Kremlin partnership between Putin and Medvedev was never seriously at risk.

A Second Flank: Kudrin's Ouster

In the best tradition of flanking warfare, Putin and Medvedev followed their "strategic surprise" announcement about Putin's candidacy, just days later, with a second shocking flanking operation.

On Sept. 26, President Medvedev fired the City of London's darling Alexei Kudrin from the posts of Finance Minister and Deputy Prime Minister of the Russian Federation, during a nationally televised meeting. Kudrin had been head of Russia's Finance Ministry for 11 years, having first joined that ministry in 1997, on the invitation of another London favorite, Anatoli Chubais.

Repeatedly named "Finance Minister of the Year" by British publications such as *The Banker* and *Euromoney*, Kudrin most of all earned the title LaRouche bestowed on him in February 2009: the "Sub-Prime" Minister. Kudrin's frequent

consultations in the City of London, and his call for "global Maastricht" strictures against government credit-creation, made him a menace outside Russia, as well as at home. His avowed goal was to outdo the European Union's Maastricht conditionalities by a factor of three: Kudrin wanted Russia's budget deficit to be no greater than 1% of GDP. His recent attacks on spending included the defense budget, and his statement that if taxes were not raised, Russia's pension age would have to be.

Speaking to the press in Washington Sept. 25, where he attended the annual International Monetary Fund session and several other financial meetings, Kudrin announced that he would not serve in the new Russian government headed by Medvedev, after next Spring's Presidential election. Kudrin openly cited his "disagreements" with Medvedev on defense spending.

An angry Medvedev dressed Kudrin down in public and gave him an ultimatum on his "political future," during opening remarks at the Sept. 26 session of the Commission on Modernization at the Dimitrovgrad nuclear center. Medvedev denounced him for insubordination, and for "irresponsible blabbing."

Said Medvedev, "I would like to say a few words about discipline in the Government of the Russian Federation. We all know that we have begun an election campaign, and this is a difficult trial for our system of

state, and for individuals. I think it has a certain effect on the nervous system, too, and evidently this is the cause of a number of statements made recently, both within our country, and abroad, for example in the United States. We have a whole category of citizens, who, when they want to make an important statement, for some reason go overseas to do it.”

Medvedev continued, with the TV camera cutting to Kudrin, who looked as if his head was about to explode: “Take Alexei Leonidovich Kudrin, who is here. He announced the joyful news that he doesn’t plan to work in the new Government, and that he has serious practical disagreements with the current President, particularly on spending issues, including military spending.

“In this connection, I would like to note several things. First of all, there is no new Government, and nobody has invited anybody to join it. But there is an old Government, which I put together as President, and it reports to me, and it will act under the framework of my Constitutional authority. This Government implements the policy of the President. My understanding is that Alexei Leonidovich had an opportunity to state his position earlier, and to make a decision on his political future; even to join the [party of] rightist forces. They asked him to, but Alexei Leonidovich declined, for some reasons of his own. Nonetheless, I would like to say that such statements as the ones made in the United States of America are unseemly, and nothing can justify them.”

Medvedev then told Kudrin that under government discipline, and in view of his stated disagreements, he had no choice but to write a letter of resignation. If he wanted now to say that there actually were no such disagreements, Medvedev offered Kudrin the chance to write a public commentary to that effect. Kudrin confirmed that he “has disagreements,” but said that he wanted to decide on a response to Medvedev’s “proposal,” after first consulting with Prime Minister Putin. Medvedev replied, “You can consult with whomever you want, including the prime minister, but

as long as I am President, I make such decisions.”

After the late-afternoon meeting, Kudrin took part in another, smaller meeting, held by Medvedev on economic policies. At both the Modernization Commission meeting and the later one, Medvedev ordered the Government to be on constant alert to take various steps, in view of the unfolding economic crisis in Europe and elsewhere.

Then, at just before 8:00 p.m., Moscow Time, Medvedev issued his decree, relieving Kudrin of his government duties.

If there were any doubt that the ouster of Kudrin was “for cause,” and that it was a decision made in full coordination between Medvedev and Putin, Kudrin’s actions on the previous day, when he promised Russian reserves to bail out euro bank debt, put those doubts to rest.

At the Sochi Investment Forum on Sept. 16, Putin had cautioned against such spending, saying to Leon Black of Apollo Management (formerly Drexel Burnham Lambert), “Speaking of [your] call for Russia to acquire some of the assets that financial institutions such as European institutions want to get rid of, I should say, Leon, that in most cases these assets are ‘toxic’ (or just complicated). Who wants to eat expired food? It is a sure way to indigestion.”

London Geeks

Even before the ouster of Kudrin, the British were already going apoplectic over the Putin-Medvedev policy coup. The London *Financial Times* on Sept. 24 quoted an unnamed “senior western banker” who threatened that there would be capital flight against Russia as a result of the Putin-Medvedev announcement, growling that “it’s going to be ugly.” The banker added: “The oligarchs are going to try and get their money out and foreign investment is going to disappear.” Amused, LaRouche responded that the only ones likely to “disappear” in the strategic configuration now taking shape, are the speculators and their London sponsors.



WEF/swiss-image.ch/Sebastian Derungs

In the second shoe to drop, Alexei Kudrin, the darling of the London and Wall Street financial predators, was publicly dumped from his position as Russian Finance Minister by President Medvedev at the Sept. 24 United Russia party congress.