

Russia's Next Step

by Lyndon H. LaRouche, Jr.

Here is LaRouche's Preface to the English edition of Professor Stanislav Menshikov's book, The Anatomy of Russian Capitalism. It is dated May 14, 2006.

In the aftermath of President Abraham Lincoln's defeat of the London-backed slave-holders' Confederate insurrection, the London-linked New York faction of U.S. finance unleashed a predatory looting of the physical assets of the territory formerly ruled by the defeated Confederacy. That operation, which was described then as "carpetbagging," is a term that pointed to the style of the personal baggage, in which the travelling, locust-like predators carried their personal effects.

When this English edition of Professor Stanislav Menshikov's book has been printed, Russia's President Vladimir Vladimirovich Putin will have delivered his landmark May 10, 2006 "state of the union" address. The President's address will have marked the probable close of what had been the demographically murderous, greatest carpetbagging swindle in history. The carpetbagging which Professor Menshikov's book describes, is the post-1989 looting of the territory of the former Soviet Union, a looting that, in fact, has also been the predatory ruin of most of the East European territory of the Comecon outside Russia then and now.

Ironically, it should be clear today, that no net gain was to be had over the long term, from that vast amount of looting done by the presumed victors over the Soviet system, such as President George H.W. Bush's USA and the relevant West European nations. Whatever the perceived benefits to anyone from the Soviet system's collapse, the current physical economic condition in Europe and the Americas today, is far worse than in 1989.

Since the earlier, Russian edition of this book appeared, relevant and crucially important additional elements in that story have been taken into account in the present English edition. With the book's completion, a chapter of world his-

tory is being closed.

It is now time to learn the lessons of Professor Menshikov's account, as they bear on the decisions which must be made now, as we enter what threatens to become the worst economic collapse the world will have experienced, since a period of horrifying religious warfare was ended by the crucial adoption of the 1648 Treaty of Westphalia. The methods and habits accumulated during looting of the former Soviet Union and associated Comecon nations, express the acquired habits that now threaten the ruin of the world as a whole, unless the adducible lesson of this experience of recent decades, described in this book, is learned and applied.

There was an earlier point in time, at which the worst of the effects of the post-1996 phase of the ruin of Russia might have been prevented. On April 24, 1996, I appeared as a featured guest at a Moscow seminar of a roster of distinguished leading figures of Russia. The hosts of the seminar represented as prestigious an assembly of responsible policy-shapers as one could have desired. The purpose of that meeting was to define a launching-point for a possible role of the USA, then under President William J. Clinton's leadership, in halting the carpetbagging process, and beginning new forms of collaboration between Russia and the USA, which might end the ongoing process of carpetbagging. Some in the USA strongly advised the Clinton Presidency against the course of action implied in that April 1996 Moscow seminar. On that account, the implied threat from President Clinton's political opposition, which included some of the most powerful predators of the Transatlantic financier community, was ominous.

This U.S. rejection of the course of action implied in that Moscow seminar, had serious consequences for not only Russia, but the world at large, including much of the worsening global economic nightmare which has been experienced to the present day.

It was soon apparent that U.S. failure to respond to the issues tabled at the Moscow seminar had been a grave mistake for the USA, too. The 1997-1998 world crisis of the financial-derivatives system, especially the GKO hedge-fund crisis and its aftermath of August-October 1998, was the consequence of the U.S. failure to seize that opportunity, which the Moscow seminar had signalled. To his credit, President Clinton proposed, in September 1998, to move toward a needed reform of the world monetary-financial order. The attempted impeachment of the U.S. President, organized by the very bitter, and very predatory opponents of his proposed reform, was the result. Now, ten years after that 1996 Moscow seminar, the U.S. failure to accept the implied cooperation from Moscow has come to menace not only the USA, but all of Western Europe, and much of other parts the world, as distant as Tokyo.

During the time the English edition of Professor Menshikov's book was being prepared for publication, there was the thought that the celebrated John Kenneth Galbraith, who

had co-authored an earlier book with Professor Menshikov, would be a most appropriate contributor of an introduction to this edition. Concerns for Mr. Galbraith's health precluded his undertaking that chore. Since then, as we know, the venerable John Kenneth Galbraith has recently died. His association with the U.S. Franklin Delano Roosevelt administration, his association with President John F. Kennedy, and his role as a sometime senior advisor to President William J. Clinton, would have made him a most appropriate contributor.

The point to be stressed here and now, is that the presently onrushing hyperinflationary spiral in world prices of primary materials of production, means that deep-going, and far-reaching reforms in the world economic order must be made, and that cooperation between the USA, among others, with Russia today, will be an essential part of any successful escape from the immediately threatened global catastrophe.

During 2006 to date, the rate of increase of the rate of inflation in primary commodities, is comparable to the pattern of increase of prices in Weimar Germany of the second half of 1923. In 1923, that inflationary crisis in Germany was the result of the predatory terms imposed by the financial interests represented by the Versailles Treaty organization. Today, the immediate cause of the world's present hyperinflationary crisis, is those same kinds of policies, recently operating world-wide, which were expressed by the carpet-bagging operations against the territories of both the post-1989 Soviet Union and other territories of the former Comecon association.

In reflection on this experience from the period of world history since 1989, we should learn afresh, that looting one's neighbor, even a presumed adversary, is a bad policy, a policy which would probably cause ultimate suffering to the predator. We live on one planet, such that deductions from the physical and related well-being of any part of humanity, is a lowering of the conditions, under which the whole of the planet lives.

That is a well-known principle of natural law, called *agapē* in ancient Classical Greek, as in the Christian New Testament; it is also the principle set forth in the opening sentence of the great 1648 Treaty of Westphalia, on which the well-being of modern European civilization has always depended since. The rule of natural law, which is affirmed in the 1648 Treaty of Westphalia, is one that only fools violate. The rule is, that in all conflicts, the victor must benefit, not loot the vanquished—as President Franklin Roosevelt had intended to do as the close of World War II approached.

Therefore, I pray that you read this account by Professor Menshikov by that light. What happened to Russia, as he recounts that, not only could happen to us; it is, in effect, now happening to us in the USA, and to most of the world besides. The disease, which Professor Menshikov has described in these pages, is, in effect, now an economic global pandemic which we must all join to defeat.