Russia: a coup from above

by Lyndon H. LaRouche, Jr.

March 24, 1998

On the morning of March 23, 1998, international news dispatches from Moscow featured the announcement of an ongoing purge of the Russian government of Prime Minister Viktor Chernomyrdin, ordered by President Boris Yeltsin. The principal details of the changes, including names of those key figures who, thus far, were dumped, or remain, or have been newly promoted, are documented in the accompanying report. Our task here, is to provide the reader an appropriate insight into the strategic circumstances in which this coup from above has occurred.

The timing of the coup was obvious. The facts had been summarized by Russia's prominent leading younger economist, Dr. Sergei Glazyev, in a piece written at the beginning of this year.[1] At the time, last Autumn, the global systemic financial-monetary crisis was targetting Korea, Japan, and Indonesia, Russia had postponed a similar collapse by an hysterically inflationary bail-out, through short-term international financing at loan-shark interest-rates. Come March, as the end of the first quarter of calendar year 1998 approached, the financial, economic, and social pressures of this bail-out financing terrified Russia's leading political circles. In such circumstances, whatever might be likely to occur under such circumstances, were likely to begin building up now, echoing the scenario which began during October of 1997.

As in the case of the man who came down suddenly with a severe case of influenza, the infection with such potential developments as this coup from above, was present. However, the patient's disposition to come down with a severe attack of this infection, was a result of his general circumstances of stress, and the weakened condition of his immune system.

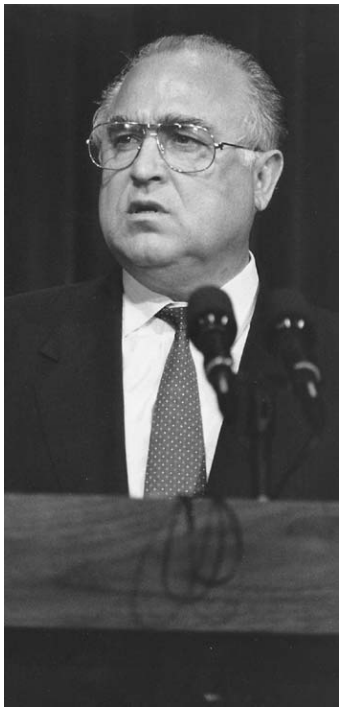
Coup in Russia? The historically literate mind recalls images of the famous 1905 and 1917 revolutions. The first of these was triggered by the combination of a London-orchestrated, international financial crisis of 1905-1907, and the impact of the Russo-Japanese War. The second, was the reflection of economic disaster, combined with large, useless losses of peasant soldiers in the foolish continuation of Russia's hopeless war against Germany. In both cases, the confluence of a social and economic crisis, intersected a general loss of confidence in the potential usefulness of a discredited government. Given, a spectrum of previously established nuclei of revolutionary political institutions, and a seemingly endless worsening of combined social, economic, and political crises under the existing government, mass-based revolutionary ferment was likely.

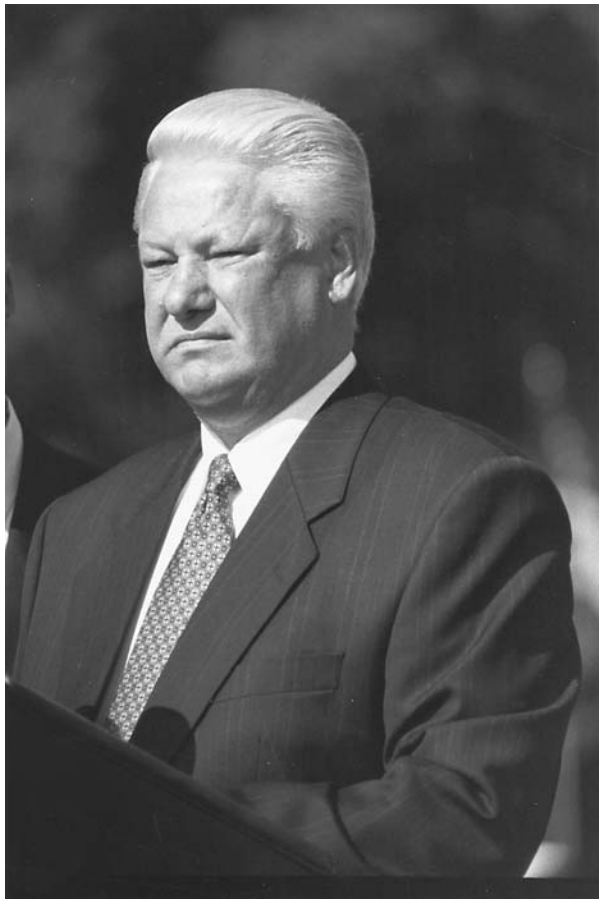
There are analogous leading features in Russia's situation now.

That historically literate mind, if it had studied the discussions which occupied the minds of both the various revolutionary organizations, and their national and foreign opponents, from those periods, would see those Russian revolutions somewhat as the leading European revolutionaries of 1917-1923 saw them, as echoes of the revolutionary developments in the France of 1789-1794. This was the view of revolution which had been popularized by Karl Marx and others during the middle decades of the Nineteenth Century. This was the view commonplace among the collaborators and opponents of Karl Kautsky within the leading social-democratic and Bolshevik circles of the pre-1914 debates. These are more or less the terms of reference which automatically come to the minds of historically literate circles among Russia policy-shapers since the successive upheavals of 1989-1993.

1. Sergei Glazyev, "Key Measures for a Transition to Economic Growth in Russia," ***Executive Intelligence Review,*** March 27, 1998.

Heads roll in Moscow (left to right): former First Deputy Prime Minister Anatoli Chubais; former Prime Minister Viktor Chernomyrdin; President Boris Yeltsin. In order to understand the revolutionary crisis now gripping Russia, LaRouche writes, it is necessary to identify certain crucial historical issues of the French Revolution.





We shall therefore turn, briefly, but necessarily, to identifying those presently crucial historical issues of the 1789-1794 French Revolution, which are indispensable for an effective political-strategic understanding of the revolutionary crisis presently gripping not only Russia, but the world as a whole, throughout the remainder of 1998.

The legacies of the earlier Russian revolutions, and of the institutions to which they led, are prominent, and more or less dominant, among the cultural influences from the past, which shape the actions and reactions of the principal players on the Russian stage today.

Those sundry revolutionaries of those past periods, from Marx through the social-democrats and Bolsheviks of 1917-1923, were victims of fundamental errors of assumption respecting the nature of man, history, and society. Those are not minor errors, but axiomatic errors, errors otherwise described as "crucial," or fundamental. Nonetheless, despite those errors, as Rosa Luxemburg described her old factional opponents from Russia, Lenin and Trotsky, "they dared." Although each of them erred greatly in identifying the underlying principles of those historical transformations, they are not to be regarded as anything less than highly qualified professional revolutionaries, professional makers of history. From the evidence of their deeds, only an idiot would deny that these revolutionary leaders obviously understood something. The crucial errors in their understanding, we must reject; but they were not half as misguided, or ignorant, as those foolish statesmen, who approach the present global situation with the delusion that the immediate weeks and months ahead are not a revolutionary interval of history, in the strictest sense of that term.

This is most clearly relevant in face of the presently onrushing revolutionary crisis in Russia today. It is crucial, that President Clinton and his policy advisors (among others) recognize, that whatever comes out of the months immediately before us, it will be a revolutionary change of some kind. At this moment, the prospect of a revolutionary change—of one sort, or another—inside Russia, is an agenda-item of high priority.

Russia's legacy from the French Revolution

The fact which makes the present global revolutionary situation so extraordinarily dangerous, is that the majority of the leading circles of government and finance, around the world, are presently, clinically insane. As one leading banker described the situation, the majority among those circles

which will decide the outcome of the mid-April monetary conferences in Washington, D.C., is gripped by a devotion to the lunacy of their existing financial and related policies of "globalization" and "liberalization," which can be fairly described only as a passion of extreme, blind religious fervor, an obsessive quality of religious delusion: in this case, the pagan worship of *Fortuna*. The currently prevailing insanity among the neo-conservatives of finance and politics, is an inquisitional quality of lunatic religious fervor, brimming with bloody-handed bigotry.

Unless the unlikely occurs, and the U.S.A. pushes through the kind of radical "new Bretton Woods" reforms I have identified, the way in which the bankers and governments of the world will react to the global financial and monetary crises of 1998's second quarter, will be the worst disaster yet. Already, the financial markets of Tokyo and New York City, are propped up only by the most lunatic form of hyperinflationary printing-press-money outflow since the Weimar hyperinflation of 1921-1923. The result will come much quicker, and with far greater force than during 1921-1923. If my proposals are not adopted during the relevant April meetings, the second half of 1998 will experience the end of the present international financial, monetary, and banking system, the worst crisis of this planet in modern history.

After such an orgy of futile, but axiomatically hyperinflationary attempts at global "bail-out" of banks, during the second quarter of 1998, the game ends. After the immediate results of that orgy of "religious fervor" during the second quarter of this year, the next change will be a "thermonuclear" chain-reaction of reversed financial leverage within the world's system of casino side-bets, what ***EIR***'s John Hoefle has described as a "three-hundred-pound flea" sucking upon a "forty-pound dog," what is otherwise known as the looniest financial bubble in history, the hot-air bubble of "hedge funds" and financial "derivatives."

The present, if temporary hegemony of the religious fervor among such lunatic "religious" bigots controlling international financial and related policies today, is the crucial factor which makes the present situation, inside and outside Russia, a revolutionary situation today.

That setting for oncoming short-term, global developments, is the context in which Russia's recent coup from above must be situated. Therefore, a summary of the relevant features of the French Revolution's legacy of myths, is indispensable for understanding both the internal situation, and international setting of Russia-in-crisis now. Look at the most crucial French events of 1789-1794 from this vantage-point. There are crucial features of that history which should remind us of the recent history of Russia in particular, and most of this planet in general.

Despite France's earlier loss of the power to independently challenge the British monarchy's growing maritime power, pre-1789 France was the most advanced nation of the world in science and technology, and the nation with the most powerful economy. Then, toward the close of the U.S. War of Independence, the clouds darkened over continental Europe. The opening scene in the ensuing tragedy of King Louis XVI's France, began during the 1783 phase of negotiations of the peace between the United States and its ally France, on the one side, and the British monarchy, on the other. The seeds of France's destruction were sown in the setting provided by wily Lord Shelburne's brief occupation of the post of Britain's Prime Minister.

Out of these peace negotiations, came a curious cohabitation between the Physiocrats associated with A.R. Turgot, on the one side, and the British East India Company's Shelburne and Jeremy Bentham, on the other. The harpoon, designed by Shelburne, which destroyed the French whale, was France's submission to the British demand for a "free trade" agreement.[2]

To enforce that agreement, France was guided by its Finance Minister, Jacques Necker, a notorious asset of British intelligence, a Swiss banker from Lausanne, otherwise known as the father of the infamous Madame de Staël, she a bimbo fit to strut on Kenneth Starr's chorus line.[3] Necker was very successful; within several years, he had bankrupted France! The superimposition of "free trade" was used, by Necker et al., to turn the French war-debt into an instrument of destruction of France's public finance. The network of agents built up by Venice's Paris-based super-spy, Abbé Antonio Conti, was already awaiting the opportunity to strike France from within. The French Revolution was soon on.

Inside France, Necker had interesting allies. Turgot aside, the most prominent was a British agent, a perennial enemy of Benjamin Franklin among freemasonic circles, the Duke of Orléans otherwise known as "Philippe Egalité." It was Orléans who organized and directed the mob which led the assault on that then-virtually emptied prison known as the Bastille; this assault was staged by Orléans as an election-campaign stunt on behalf of Orléans' demand, that King Louis XVI appoint Jacques Necker as France's Prime Minister, the

---

2. Lord Shelburne, the key figure of the British East India Company and of Barings Bank, had engaged Adam Smith, beginning 1763, to devise a scheme for destroying both the economy of France and the independence of the young enemy then growing up in the English colonies in North America. Smith's 1776 anti-American tract, his ***Wealth of Nations,*** largely a plagiaristic copying of the work of Turgot, was the most notable consequence of his engagement by Shelburne. Banker Shelburne is the principal author of the notions of "free trade" popularized by his protégés Adam Smith and Jeremy Bentham. His role, as Prime Minister, in negotiating the November 1782 secret treaty of peace with the United States, was used to further Necker's use of "free trade" as the ruse for bankrupting France. That lesson from history applies to the situation in Russia and numerous other economies ruined by "liberal economics" today.

3. The relations between the family of Necker and British intelligence, is among the more disgusting footnotes of French and Swiss history from the late Eighteenth Century.

same Necker who, as Finance Minister, had just previously bankrupted France, a lunacy comparable to appointing Kenneth Starr, or Speaker Newt Gingrich, White House Chief of Staff for President Bill Clinton. The same Orléans, a short time later, organized and armed a mob which he led to the Palace of Versailles, to capture and imprison his cousin the King.

As a result of such developments, the friends of the United States were purged, sent to prison, or even guillotined.[4] British agents among the leaders of the Jacobin Terror, such as Maximilien Robespierre, Georges Danton, and the London-trained Swiss mass-murderer, Jean-Paul Marat, took charge. Soon, the fanatical romantic Paul Barras grabbed power, and brought his protégé, Napoleon Bonaparte, into the latter's role in misshaping the law and other institutions of France, transforming France into a caricature of that "whore of Babylon" known as the Roman Empire, replete with "Sun King" Emperor Bonaparte consecrating himself as "Pontifex Maximus" of the state religion.

There are two most crucial, distinct, but interdependent follies of Marx and the socialists generally, errors which were crucial in misshaping the outcome of the Russian revolutions of 1905 and 1917. It is urgent, given the presently acute, revolutionary and pre-revolutionary situations now developing rapidly inside Russia and many other parts of world, that those errors not be committed yet once again.

The first error, is the assumption of "proletarianism," itself a romantic conception traced to a wild misrepresentation of the nature of the social structure of the Roman Empire. That error is the assumption, typified by the pro-satanic doctrine of Bernard Mandeville's ***Fable of the Bees,*** that the anarchic, intrinsically entropic expression of individual lust, is both the "natural" driving-force of social processes, and that this kinematic random walk among anarchically contending, irrational impulses, functions as a kind of secretion, whose outcome is presumed to be appropriate ruling ideas.[5] This error underlies that kind of deluded faith in the non-existent, but supposed cure-all properties of "democracy." This is the same notion of "democracy," as presently advocated by the U.S. National Endowment for Democracy, which had tended, in each relevant, known case since ancient Greece, to transform gravely troubled "democratic" societies into the most awful tyrannies.

The second error, is the cult of empiricism. This is largely the combined outgrowth of Venice's Sixteenth-Century reintroduction of Byzantine Aristoteleanism into the western Europe of the Latin Rite, and the subsequent introduction of Paolo Sarpi's Ockhamite dogma of empiricism. This is the same cult of materialism which pervades,widely, every variety of political-economy widely taught in universities today.

As the relevant evidence and argument is presented in earlier editions of ***EIR,*** and in other locations, the errors just identified have the following practical implication both for the way in which Marxists and empiricists generally misperceive history, and also in causing the worst among those follies of shaping of economic policy and practice, which commonly cause the worst economic and related crises. The needed corrections are, summarily, the following.

First, the possibility of "more," relies absolutely upon the specific, cognitive ability, existing only among individuals of the human species, to generate, assimilate, and employ those discoveries of physical principle, and related types of ideas, by means of which the human species' per-capita power over the physical universe, is increased.

The ability to transmit validated discoveries of physical and other principle, from one mind to another, requires the development of culture, in the same sense that we require progress in increasing the number of validated known physical principles and their technological derivatives. Hence, the relationship between the human individual and economy is total. For example, "economic man" does not exist, nor is there any purely "economic" doctrine which accounts for the direction of developments within actual economies. Every aspect of human activity, bearing upon the generation, transmission, and assimilation of validatable kinds of ideas of physical principle, social relations, and the nature of the human cognitive functions of discovery of such principles, acts to determine the outcome of economic relations between the society and nature in general.

Second, we have the matter of that great conflict which has always dominated mankind's struggle to bring to an end forms of society, in which large rations of the total population are reduced to the relative status of "human cattle:" slavery, serfdom, and so forth. In Christianity, this distinction is presented as the policy, that it is equally true of each individual man or woman, with no allowance for any ethnic or racial distinction among persons, that each person is made in the image of the Creator. This signifies a power of cognition unique to the human individual among living species, a quality sometimes identified as "the divine spark of reason." This

---

4. Exemplary are the case of Tom Paine and the Marquis de Lafayette. Lafayette's case was dramatized by Ludwig van Beethoven's opera ***Fidelio,*** in which the villain *Pizzaro* (Lord Shelburne's puppet, English Prime Minister William Pitt the Younger) imprisons *Florestan* (Lafayette) in a dungeon (actually, the Austrian imperial dungeon at Olmütz). Lafayette was imprisoned, in 1792, on orders from London, by the ultra-reactionary predecessor of Metternich, suspect in the death of Wolfgang Mozart, Chancellor Wenzel von Kaunitz, and remained endungeoned until he was freed, in 1797, largely through the intercessions of his wife, *Leonore* (Adrienne Lafayette).

5. ***The Fable of the Bees, Private Vices, Public Virtues*** (1734) (London: Reprint, 1934). This work is, according to the late Friedrich von Hayek, the "Bible" of the Mont Pelerin Society. It is also the kernel of Adam Smith's argument in his 1759 ***The Theory of the Moral Sentiments,*** and the argument Smith uses, in his 1776 ***Wealth of Nations,*** for the adoption of François Quesnay's *laissez-faire* as Smith's notion that "free trade" is the art of the "Invisible Hand."

is a quality typified by the processes of the individual mind, by means of which that mind generates a validated discovery of a physical principle.

This latter conception of the human individual is inseparable from the notions of truth and justice, as those notions are addressed in the dialogues of Plato. The principle is, that each individual is efficiently accountable for truthfulness and for a sense of justice, accountable in the sense, that the measure of truthfulness and justice does not depend upon manifest coincidence with the expressed opinion of a majority, or even a large minority. Indeed, all progress in the human condition, economically or otherwise, occurs in no other way, than a validatable rejection of "mainstream opinion."

"Majority rule" has no intrinsic merit. Most of the time, on most issues, the majority has been wrong; that will always be true, by the very nature of progress. The progress of society, its capacity for truthfulness and justice, depends absolutely upon the willingness of the majority to submit to the contrary opinion of even a single person, when that person is able to show, by no other means than reason itself, that the majority must change its belief, if truth and justice are to be served. The object of good society, is not rule by majority opinion, but rather rule by good conscience.

That means, that reason, and reason alone, is the efficient political means by which governments themselves must be governed. That means, that to have such a society, it is essential that every child be developed in the ability to be ruled, to rule, and to be self-ruled by such commitment to service of truth and universal justice; that that society has no different purpose, in effect, than to establish agreement in practice in this way. The good society is not one in which existing opinions are merely counted, with authority given to the majority of votes; the good society, is one in which no person will force an opinion upon another, except by processes of open deliberation, in which the rule of accountability to reason is allowed the freest play.

On this account, the greatest statesmen, such as Benjamin Franklin or Friedrich Schiller and Wilhelm von Humboldt, have laid the stress on a Classical humanist mode of primary and secondary education, to develop thus those intellectual and moral capabilities of the individual human mind, upon which a society's ability to be self-ruled by reason, chiefly depends.

The latter point made, we might ask ourselves, how, since virtually no society has ever consented, in actual practice, to rule by reasonable deliberation, did societies ever progress? Generally, great progress occurs only in circumstances of threat of terrifying crises, in which frightening crisis, or prospect of crisis, shows much of the population the manifest failure of previously prevailing opinions. Wars and revolutions, have been not the exclusive circumstances for progress, but, in history to date, the most likely ones. The fearful prospect of the consequences of heteronomy, impels a population to rally around those leaders who speak with a clear voice of reason. At other times, heteronomy is more likely to prevail. Therefore, the new crisis whose onset now grips Russia, and, soon, much of the rest of the planet, must be welcomed, gratefully, as the needed crisis which prompts us to do the good we were unlikely to attempt otherwise. We see this crisis as the opportunity to defeat, to free us from that religious quality of monetarist fervor which is presently the greatest threat to civilization.

The practical question is, how to develop a society to such a degree, that crisis is no longer the only strict teacher of truth to governments and popular majorities.

Consider the French Revolution in this light.

The actual conflict

The problem has been, that European civilization has never fully freed itself from the legacy of that Whore of Babylon known variously as the Roman and Byzantine Empires. European feudalism was a continuation of that degeneracy. This evil of feudalism was chiefly expressed in two social formations. The one, was the feudal landed aristocracy; the second, was a financier oligarchy, whose roots can be readily traced to the time of ancient Akkadian dynasties.

There is a crucial, additional feature of the feudal tradition: its brutish notion of law. Since ancient empires and feudalism were based upon the reduction of more than ninety percent of humanity to the "human cattle" serving the interests of a relatively tiny oligarchy, a true natural law could not be tolerated by any empire, or by any society which harbors an oligarchy.

The characteristic function of every oligarchical model of society, is to serve the perceived interest of oligarchism. The function of the empire, was to select a chief magistrate, such as a hereditary or other tyrant, who would serve as a surrogate for the entirety of the oligarchy in matters of law. The law became, thus, the expressed will of that surrogate for the collective will of the oligarchy as a whole.

This tyrannical essence of pre-modern society was often slightly tempered by the notion of customs, notably including the legally authorized customs, in religion, or otherwise, of subject peoples. Otherwise, there was no universal principle of individual human nature, which bound the oligarchy to any principle of truth or justice founded upon a universal agency of reason. Thus, the characteristic of the law of oligarchical societies, is its intolerance toward such notions of a natural law.

There is a derived feature of oligarchical society which played a dominant role in the French Revolution, under the Jacobins and under Napoleon Bonaparte. Since the original, Mesopotamian, Whore of Babylon, the administration of society by the oligarchy itself, has depended upon a more numerous body of oligarchical lackeys, constituting a permanent bureaucracy in the government of the society's affairs.

In the case of both the Jacobin tyranny and the tyranny of Napoleon, and also in the cooperation of Britain with von Kaunitz and Metternich, the common motive underlying the process, from 1789 through 1848, and beyond, was the common desire to exterminate the young United States, to crush it, as it were an unwanted infant, in the cradle. The earliest objective, was to prevent that American model of republic from spreading successfully into Europe; once France had been integrated into a Europe jointly ruled by Britain and the Holy Alliance, the common object was to isolate and destroy the United States itself.

So, from 1814 through 1848, all of Europe was the mortal enemy of the United States. In this process, both the Jacobin tyrants and the Napoleonic state bureaucracy of France, were merely lackey-instruments, in service to European oligarchical interest.

Thus, for reasons supplied in earlier locations, the form of modern European society, in Europe and in the Americas, as this developed during the Seventeenth through Twentieth Centuries, had two sets of determining features. To the degree that the influence of the republican forces either established a republic, as in the case of the U.S.A., or forced approximations of nation-state republic conditions upon reluctant oligarchical potencies, all modern European society acquired a dual character. On the one side, there was the oligarchy, represented by its two leading types, landed aristocracy and financier oligarchy. On the opposing side, the combined classes of productive entrepreneurs, professionals, and others, who constituted the social forces of national economy. In this process, the frictional conflict between financier oligarch and landed aristocrat was typified by Britain's use of its Mazzinian agents, to weaken and ultimately wreck the political power of continental landed aristocracy. In this way, more and more, the conflict in society became essentially the relationship between the parasite, the financier oligarchy, and host-victim, the social forces of national economy.

Russia's intellectual crisis

This issue of the truth about the French Revolution, is an essential part of the key to solving Russia's most crippling intellectual crisis: the fact, that it has yet to undertake the needed scope and depth of rational review of the roots for what is popularly identified by many as "the failure of Soviet Communism." Under Gorbachev, Russia leaped, blindly, out of the ship of Soviet Communism, into the most radically decadent slum of so-called "western" economy, and that with the combined zeal and awkwardness of a drunken sailor storming the bed of a common prostitute. One should not be

astonished by the relevant result.

On the other side, we have national economies, such as those of the United States and Germany, which had previously accomplished virtual "economic miracles," until the late 1960s, through investment in development of infrastructure, and in energy- and capital-intense scientific and technological progress. Now, both are destroying themselves with the same monetarist carpetbagging tricks of "mergers and acquisitions," which have looted the remains of former Soviet national resources and capital improvements of Russia. At present, this has gone almost to the point that national extinction of Germany and the U.S.A. is now already visible, on the horizon a few years ahead.

If Russia does not change suddenly, it is doomed, and that very soon. If it attempts to change, without participation in early agreement to the appropriate, revolutionary "New Bretton Woods" system, Russia might survive as a national identity in the long run, but at the price of a terrible sacrifice in the medium-term.

Thus, we see the religious fervor of the lunatic majorities: among policy-shapers in the U.S.A. and western Europe, and in the failure of the majority of Russia's leaders to settle intellectual accounts with the fatal flaws of the legacies adopted by Soviet Communism. For both cases, the common solution ought to be clear; we must, at last, rid this planet of the vestiges of that feudal relic which is financier oligarchy. The solution is clear; we need but rally the institutions of national economy, freed of the encumbrance of financier-oligarchy. Then, we might embark on the kinds of international cooperation in national development, which have proven themselves repeatedly, as in responses to crisis, in many nations, during recent centuries.

The coup from above will not succeed in even the relatively short-term. Symptomatic responses will not still the mounting disquiet. The actual source of energy for the political instability, must be addressed, directly. The heart of the solution is to recognize the real enemy. Since he is bankrupt, in fact, we have but to put him through the obvious, sensible, liquidation in bankruptcy, by means of which we may rid ourselves of that cause of our affliction, that parasite, once, and, hopefully, for all.

Those changes are the choice of revolution which must be made. If we fail to take that option, then we are doomed to other kinds of revolutions none of our nations were likely to survive. What we are seeing in the circumstances behind Russia's recent coup from above, is the shudder of leaves at the edge of the oncoming storm. That storm will devastate us all, unless we quench, very, very soon, the religious fervor of that present lunatic majority among the policy-shaping set.