

Defending Russia's Industrial Development

On July 13, Jonathan Tennenbaum participated in a round-table press conference at the Rosbalt news agency in Moscow, together with Yuri Krupnov, leader of the political Movement for Development; Georgi Samodurov, president of the Russian Association of Machine Tool Instrumentation; and Nikolai Panichev, head of its board of directors; Alexander Lebed, vice-chairman of the State Duma Committee on CIS Cooperation; the general directors of the industrial companies Ryazansky Konnyj Zavod, Stroyexport, Mosenergoimport, and Spektr; and Igor Nikolayev, director of the Department of Strategic Analysis of the prominent business news and consulting agency RossBusinessKonsult (RBC).

The discussion, which took place before an audience of Russian press representatives, constitutes the first meeting of a newly formed Coalition for Industrial Development, devoted to “examining the barriers and perspectives for technological breakthroughs in the real sector of the Russian economy.” The immediate topic of the discussion was the threat to Russia’s economy from so-called “raiders”—organized groups operating in the gray zone between legal and illegal operations, using mafia methods and connections with corrupt government officials to take control over industrial corporations. This phenomenon has grown to such gigantic proportions, that it threatens to crush the limited, but significant revival of industrial investment in the country. No doubt, the “raiders” are no spontaneous phenomenon, but are connected with international financial groups.

A striking example was presented at the meeting by

machine tool industry expert Samodurov, who recalled that the liberal economic reforms in Russia in the 1990s had already led to the demise of 40 major machine-tool producers, based mainly in Moscow and St. Petersburg. Among the important survivors—until last year—was a specialized factory in St. Petersburg, producing ultra-high-precision grinding machines. This plant was one of only two such factories in the entire world. But last year, it was bought up by a “raider” group, and within half a year nearly all of its equipment had been sold off. Today a shopping mall and a hotel complex occupy the area where the factory used to stand. (See “Globalization Devastated Machine-Tool Industry in Russia,” *EIR*, June 23, 2006.)

Other participants in the panel demanded that the government take decisive measures, before the process of destruction becomes irreversible. They noted that not only the Russian economy, but the nation’s political stability is at stake.

Yuri Krupnov, leader of the Movement for Development, emphasized that the problem of “raiding” could only be fully overcome on the basis of a principled commitment to large-scale industrial development of the entire nation. As opposed to a speculator who operates on the principle of “buying cheap and selling dear,” a worker employed in industrial production sees himself as a creator of useful wealth and a builder of the nation. Industrial development is thus inseparably linked with the development of the human individual, Krupnov said, and deindustrialization means degrading the population to the level of mere animals.

The complete minutes of the discussion, including Tennenbaum’s remarks on the global dimension of deindustrialization and the threat posed by the Synarchist international, were circulated by the news agency AKS-Real Sector, and reported by numerous press agencies and Russian web sites.